



June 12, 2003

Via Airborne

Ms. Eileen L. Furey
Associate Regional Counsel (C-14J)
U.S. Environmental Protection Agency, Region 5
77 West Jackson Boulevard
Chicago, IL 60604-3507


RE: Request for Information Pursuant to Section 104(e) of CERCLA for the Allied
Paper/Portage Creek/Kalamazoo River Superfund Site in Kalamazoo and
Allegan Counties, Michigan

Dear Ms. Furey:

This letter, the attached responses, and the accompanying documents constitute Appleton Papers Inc.'s response to the United States Environmental Protection Agency's March 18, 2003, Request for Information concerning the Kalamazoo River in Michigan. On May 15, 2003, you granted Appleton Papers Inc.'s request for an extension to June 13, 2003, to respond to the Request for Information.

Please note that documents KAL000060 – KAL000136 have been designated Confidential Business Information. Appleton Papers Inc. requests that these documents be treated as confidential, pursuant to 40 C.F.R. Part 2. Accordingly, I have attached a Confidentiality Request and Justification.

Best regards,


Tami L. Van Straten
Sr. Legal Counsel and Assistant Secretary
920.991.5122 Voice
920.991.8852 Fax

Enclosures
TVS/mv

RESPONSE OF APPLETON PAPERS INC.
TO THE MARCH 18, 2003, UNITED STATES ENVIRONMENTAL
PROTECTION AGENCY'S REQUEST FOR INFORMATION REGARDING
THE KALAMAZOO RIVER

Appleton Papers Inc. ("API") hereby responds to the March 18, 2003 Request for Information ("Information Request") from the United States Environmental Protection Agency ("EPA"), received by API on March 24, 2003. On May 15, 2003, Ms. Eileen L. Furey, EPA Associate Regional Counsel, granted API an extension of time to June 13, 2003, to respond to such Information Request.

API expressly denies any liability for alleged response costs, damages to natural resources, restoration costs, or other damages or costs arising out of alleged contamination of the Kalamazoo River area. Nothing in the following responses to the Information Request should be construed as a waiver of any defenses that may be available to API, including but not limited to defenses under any state or federal statute, judicial decision, rule, regulation, or policy.

Subject to and without waiving any of the objections stated subsequently in this Response, API responds as follows:

PRELIMINARY STATEMENT

Contrary to the assumption stated on the second page of the Information Request, API has never produced carbonless copy paper ("CCP") using PCB-containing material. It was not until 1978 that API acquired the facilities referred to as the "Appleton mills" in the Information Request. The use of PCB-containing material in CCP had been discontinued at least seven years before then.

A brief chronology of the ownership of the so-called "Appleton mills" may help correct this misunderstanding. The first facility referred to in the Information Request, a paper coating plant in Appleton, Wisconsin ("Appleton Plant"), was owned from prior to 1954 until approximately 1970 by Appleton Coated Paper Company. In 1970, Appleton Coated Paper Company and the Appleton Plant were acquired by the National Cash Register Company ("NCR"). The second facility, a paper mill in Combined Locks, Wisconsin ("Combined Locks mill"), was owned from prior to 1954 until 1969 by Combined Paper Mills, Inc. In 1969, Combined Paper Mills, Inc. and the Combined Locks mill were acquired by NCR. In 1971, NCR merged Combined Paper Mills, Inc. and Appleton Coated Paper Company into a single corporation called Appleton Papers, Inc. (note the comma after "Papers"). In 1973, Appleton Papers, Inc. was merged into NCR and became an operating division of NCR Corporation, called the Appleton Papers division.

In 1978, certain assets of the Appleton Papers division, including the Appleton Plant and the Combined Locks mill, were purchased by Lentheric, Inc. Lentheric, Inc. was a cosmetic company that had been incorporated in 1965. Prior to 1978, Lentheric, Inc. had no relationship with NCR, the Appleton Plant, or the Combined Locks mill. After the purchase of these assets, Lentheric, Inc. changed its name to Appleton Papers Inc. (no comma), the recipient of this Information Request. Appleton Papers, Inc. is not the same corporation as Appleton Papers Inc. or API.

As this chronology demonstrates, API did not own or operate the Appleton Plant or the Combined Locks mills until 1978 – at least seven years after the use of PCB-containing material in CCP had ceased. There is no information to suggest that any PCB-containing CCP was produced at the Appleton Plant or the Combined Locks mill during API's (post-1978) ownership of these facilities.

RESPONSE

Request No. 1:

Provide the month and year when NCR paper coated with any emulsion containing PCBs was first produced at each Appleton mill; the month and year when NCR paper coated with any emulsion containing PCBs was last produced at each Appleton mill; the amount of finished NCR paper shipped from each Appleton mill annually; and the amount of broke generated by each Appleton mill annually.

Response to Request No. 1:

Although some trial runs may have occurred earlier, PCB-containing CCP was first manufactured commercially at the Appleton Plant in 1954. PCB-containing CCP was manufactured at the Combined Locks mill on a handful of dates between 1964 and 1966. Manufacture of PCB-containing CCP at the Combined Locks mill resumed in late 1969. Production of PCB-containing CCP was discontinued at both the Appleton Plant and the Combined Locks mill no later than April of 1971.

The enclosed documents (KAL000001 – KAL000136) contain the most relevant information and data available to API concerning the amount of PCB-containing CCP and PCB-containing CCP broke manufactured at the Appleton Plant and the Combined Locks mill.

As you are aware, API has already produced thousands of pages of documents to the Department of the Interior and EPA in connection with the Fox River matter. These documents include documents concerning the manufacture and handling of PCB-containing CCP and PCB-containing CCP broke at the Appleton Plant and the Combined Locks mill. EPA may wish to consult this available information as part of its investigation if it requires additional information concerning the production of PCB-containing CCP at either of these locations.

Request No. 2:

Identify each shipment of NCR paper broke from the Appleton mills that was sent, directly or indirectly through a waste paper broker to any of the secondary fiber pulp and paper mills located within the Kalamazoo River area of Michigan. For each such shipment, identify: (1) the Appleton mill from which the shipment was made; (2) date (month and year) of the shipment; (b) the amount (in pounds) of NCR paper broke shipped; and (c) the name and address of the entity to which the shipment was sent.

Response to Request No. 2:

In response to the Information Request, API conducted a diligent search to try to locate records or other documentation evidencing sales of PCB-containing CCP broke from the Appleton Plant or the Combined Locks mill specifically to secondary fiber mills in the Kalamazoo, Michigan area. No records were found. This is consonant with API's good faith belief that there were no such sales. The information in API's possession instead indicates that all of the PCB-containing CCP broke produced at the Appleton Plant and the Combined Locks mill was sold to and used by paper mills located along the Lower Fox River. The Wisconsin Department of Natural Resources reached the same conclusion when it researched this issue in the late 1990s. See Technical Memorandum 2d, "Compilation and Estimation of Historical Discharges of Total Suspended Solids and Polychlorinated Biphenyls from Lower Fox River Point Sources," Draft dated February 23, 1999.

Request No. 3:

Provide the dates (month and year) and amounts in pounds of NCR paper broke shipped from each of the Appleton mills, either directly or indirectly, to company-owned waste paper brokers and to other waste paper brokers.

Response to Request No. 3:

API is not aware of the existence of company-owned waste paper brokers. In addition, API has been unable to locate any records or other documentation reflecting the amounts or dates of purchases by wastepaper brokers of PCB-containing CCP broke produced at the Appleton Plant or the Combined Locks mill. However, as further discussed in the response to Request No. 4, the personnel responsible for selling broke specifically recall that all PCB-containing CCP broke produced at these two facilities was sold to brokers or Lower Fox River recycle mills for valuable consideration.

Request No. 4:

To the extent available, provide the current names, addresses and phone numbers for each waste paper broker to which NCR paper broke was shipped from the Appleton mills during the relevant period.

Response to Request No. 4:

Some or all of the following wastepaper brokers may have purchased PCB-containing CCP broke from the Appleton Plant or the Combined Locks mill:

Leo Golper
Golper Supply Co.
1810 W. Edgewood Drive
Appleton, WI 54913
920-731-3266

National Fiber Supply Co.
55 E. Monroe St.
Chicago, IL 60603
312-346-4800

Continental Paper Grading Co.
1623 S. Lumber St.
Chicago, IL 60616
312-226-2010

Pioneer Paper Stock (now Smurfit Recycling)
8182 Maryland Avenue
St. Louis, MO 63105
314-746-1100

International Cellulose, Inc.
3110 W. 28th St.
Chicago, IL 60623
773-847-8000

Donco
2050 Riverside Drive
Green Bay, WI 54301
920-432-7900
U.S. Paper Supply
(API does not have contact information)

Menasha Mill Supply
(API does not have contact information)

OBJECTIONS

1. API objects to the Information Request to the extent it seeks information that is not relevant to alleged contamination in the Kalamazoo River area and is not calculated to lead to the discovery of relevant information with respect to such contamination.
2. API objects to the Information Request to the extent it seeks information beyond the scope of the categories of information set forth in Section 104(e)(2).
3. API objects to Requests 1, 3 and 4 to the extent they are not restricted by geography to the Kalamazoo River area.

4. API objects to the Information Request to the extent it seeks information concerning papers or broke that did not contain PCBs. API has interpreted the Information Request as referring only to PCB-containing CCP and PCB-containing CCP broke.

5. API objects to the Information Request to the extent it is unduly burdensome, oppressive, overbroad, and unreasonable.

6. API objects to the Information Request to the extent it seeks information protected by the attorney-client privilege, the attorney work-product rule, or any other applicable privilege or rule that protects such information from disclosure.

7. API objects to the Information Request to the extent it seeks information or documents already in the public domain or already in the possession of EPA or any other federal agency.

8. API objects to certain terms and phrases used in the Information Request, including "produced" and "NCR Paper broke," on the ground that they are ambiguous and subject to multiple interpretations.

Dated: June 12, 2003

CONFIDENTIALITY REQUEST AND JUSTIFICATION

Appleton Papers Inc. ("API") respectfully requests confidential status for documents KAL000060-KAL000136. These documents contain confidential production and process information. Confidential treatment is requested for such time period until the information enters the public domain without breach of any obligation of confidentiality.

API's confidential information is not publicly available information and is not disclosed outside of a confidential relationship. Employees of API with access to this confidential information have signed a confidentiality agreement wherein they agree not to disclose such information. Additionally, API has written a policy on trade secret security (appended hereto). Office and research facilities have electronic key card access and mill locations have full-time entry way guards. Employees are issued identification badges and requested to challenge anyone without one. Outside of appropriate confidential relationships, API's confidential information is not ascertainable by proper means by persons who can obtain economic value from its use.

Disclosure of API's confidential information would provide competitors with valuable information as to API's production processes and would substantially harm API. Unrestricted release of confidential information would provide unfair advantages to competitors. No legitimate interests are served by wrongful release of API's confidential information.

Disclosure of API's confidential information will impair the government's ability to obtain such information in the future. The quality of the information available to the Agency will suffer if the Agency does not respect its obligation to appropriately handle sensitive business information.

For the foregoing reasons, confidential status is respectfully requested for the documents KAL000060-KAL000136.

June 12, 2003



APPLETON PAPERS INC.

COMPANY POLICY

DP NO	PAGE
1-36-223	1 of 1
EFFECTIVE	REVISION
2-4-66	
APPROVED BY	
E. F. McKinney	

SUBJECT: TRADE SECRET SECURITY

I. PURPOSE:

- A. Appleton Papers Inc. (API) maintains special competence in its various fields of endeavor. This provides the source for growth of the organization and is a source for opportunities and security for employees throughout the Company.
- B. The maintenance of this special competence depends to a significant degree on API's possession of trade secret technical and commercial information--information not generally known by persons outside the organization and providing opportunities for advantage over competitors.
- C. This policy defines responsibilities for security of trade secrets.

II. RESPONSIBILITIES/GENERAL:

All API employees have a common interest and responsibility in seeing that no one accidentally or wrongfully discloses trade secret information to non-API people.

III. DEFINITIONS:

A. Trade secret information.

1. Information, including a formula, pattern, compilation, program, device, marketing plan, customer or supplier list, method, technique, or process, all by way of example and not limiting, to which all of the following apply:
 - a. The information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and
 - b. The information is the subject of efforts to maintain its secrecy as to non-API people.
2. Information which an employee has a reasonable basis to believe to be trade secret information or which is treated by API as being trade secret information shall be presumed to be trade secret information.



APPLETON PAPERS INC.

COMPANY POLICY

CP NO	PAGE
1-96-000	2 of 6
EFFECTIVE	REVISION
2-4-88	
APPROVED BY	
E. F. McKinnon	1

SUBJECT TRADE SECRET SECURITY

IV. FORMS USED & RELATED POLICIES/PROCEDURES:

A. Forms Used

None

B. Related Policies/Procedures

1. CP 1-96-201, Consulting Services.
2. CP 1-96-202, Classified Information.
3. CP 1-96-204, Physical Security.
4. CP 1-96-216, Information Requests - Government.
5. CP 1-96-224, Patent Policy - U. S. & Canada
6. CP 9-94-210, Invention & Secrecy Agreement.
7. SPI 9-94-013, Employee Termination Check-List.
8. FP 1-0001, Patent Policy - U. S. & Canada

V. POLICY:

A. To insure the security of trade secrets, the following plan is established:

1. Physical Security

a. Entry to plant and corporate buildings is restricted and controlled (see CP 1-96-204).

1) Identification Badge System

a) Types

1. Employee photo-permanent.
2. Regular service visitor-permanent.
3. Other visitor-temporary.

b) Enforcement

1. All persons in designated areas of Company buildings must wear an identification badge at all times.
2. Supervisors in charge of designated areas will challenge all persons in the area not wearing approved badges. Security guards will check all persons in Company buildings and challenge those without badges.



APPLETON PAPERS INC.

COMPANY POLICY

SP-40	DATE
1-06-77	7-24-83
EFFECTIVE	PERSON
2-1-83	
APPROVED BY	
E. E. McLaughlin	

SUBJECT TRADE SECRET SECURITY

V. POLICY:

A. To insure the security of trade secrets, the following plan is established: (Continued)

2) Building Security

- a) All office and R&DE areas will be kept locked except during regular business hours. During working hours all unlocked doors will be monitored as defined in b), below.

NOTE: For those areas where safety prohibits locking doors, the doors will be equipped with an alarm which activates when the door is opened.

- b) Entrances to all office, Information Services, and laboratory areas will be monitored at all times during business hours by a receptionist who will check badges of all who enter.

NOTE: As an alternative, each such entrance will be locked at all times. These entrances may be opened by security cards.

- c) All areas of the Company will be periodically reviewed for trade secrets which can be detected by observation.
1. The review will be conducted by managers responsible for each area and will be repeated as warranted.
 2. The results of the review will be distributed to the persons directly responsible for the areas involved, to the Plant Manager or his representative, and to any other persons whose duties involve or may be affected by this information.



APPLETON PAPERS INC.

COMPANY POLICY

CP 40	PAGE
1-96-023	4 OF 5
EFFECTIVE	REVISION
2-4-68	
APPROVED BY	
E. E. McKissey	

SUBJECT TRADE SECRET SECURITY

V. POLICY:

A. To insure the security of trade secrets, the following plan is established: (Continued)

3) Non-employee Access

- a) All non-regular visitors must secure a temporary visitor pass from the receptionist in the area to which they wish admission.

A complete log will be maintained in each receptionist area of the names of all visitors who seek admission; the organization whom they represent; and the entrance and exit times of each visitor. Each temporary visitor pass will be collected at the conclusion of the visitor's stay and maintained in a secure place.

- b) All regular visitors who are employees of another company rendering service to API may optionally utilize permanent visitor passes which are issued and maintained by the service company. These permanent visitor passes will each have a clearly visible serial number and the name of the service company for which the visitor works. A log will be maintained by API listing the service companies and the serial numbers of the permanent visitor passes assigned to each.

- c) Visitors not subject to a confidentiality agreement executed by them or their employer:

1. Will be restricted during visits to areas which contain no visible trade secrets,
2. Will be escorted by an employee or retiree tour guide at all times during their visit, and
3. Will be denied access to all laboratory and Information Services areas.



APPLETON PAPERS INC.

COMPANY POLICY

CP-40	FILE
1-26-2003	5-26-03
EFFECTIVE	REVISION
7-4-22	
APPROVED BY	
S. E. MCKINLEY	

SUBJECT TRADE SECRET SECURITY

V. POLICY:

A. To insure the security of trade secrets, the following plan is established: (Continued)

4. All service companies doing business with API, as a condition of continued service at the time of next renewal, will be required to execute a confidentiality agreement binding their employees to not disclose confidential API information to any third parties. This obligation will cover all service companies including cleaning, security and maintenance.
5. All construction contracts and purchase agreements requiring employees of the vendor to have access to any API trade secrets for the performance of the contract or agreement will have the execution of a confidentiality agreement by the vendor as a prerequisite to acceptance of the contract or agreement by API.
6. All retiree tour guides will be required to execute a confidentiality agreement.

2. Limiting Knowledge

Trade secrets will be available to employees only on a "need to know" basis.

3. Marking, Handling, and Control of Documents

- a. All newly generated documents will be reviewed for classification under CP 1-96-202 (Classified Information).
- b. Ultimate responsibility for classification, control and security of each document containing trade secrets will be that of the Major Department Head of the area in which the document was generated.



APPLETON PAPERS INC.

CP NO	PAGE
1-96-223	6 of 6
EFFECTIVE	REVISION
7-4-88	
APPROVED BY	
E. F. McKinney	

COMPANY POLICY

SUBJECT TRADE SECRET SECURITY

V. POLICY:

A. To insure the security of trade secrets, the following plan is established: (Continued)

- c. Department Managers will prominently mark as "Confidential" all trade secret documents having a high economic value to competitors, if disclosed to them.
- d. Documents containing or referring to trade secrets and prominently marked as "Confidential" per 3.c. will be handled in strict compliance with CP 1-96-202 (Classified Information).
- e. When not in use documents marked "Confidential" will be kept out of observable view and in a secure area.
- f. Files containing "Confidential" documents will be secured when the area in which they are stored is unattended.
- g. Keys to locked files will be kept in a secure area. Merely hiding keys is not permissible.
- h. Marking of documents containing trade secrets, which have a relatively low economic value to competitors if disclosed to them, is discretionary with the major Department Head. Documents containing trade secrets, but not marked "Confidential", however, remain subject to this trade secret security policy.

4. Documents to be Released to Outsiders

- a. Documents prepared for outside release such as advertisements, press releases, technical papers, articles, and speeches are to be screened by the Head of the Department releasing the document and by the Legal Department before release, to ensure that they do not disclose any trade secrets (See CP 1-96-224).
- b. Documents containing trade secrets are to be released only to other companies operating under a confidentiality agreement with API.



APPLETON PAPERS INC.

COMPANY POLICY

CP 40	PAGE
1-26-2000	7 26
EFFECTIVE	SECTION
2-4-22	
APPROVED BY	
E. F. McKinney	

SUBJECT TRADE SECRET SECURITY

V. POLICY:

A. To insure the security of trade secrets, the following plan is established: (Continued)

5. Employee Obligations

- a. New salaried employees are to sign an Invention and Secrecy Agreement (see CP 9-94-210).
- b. New employees are to be reminded during orientation of their obligation to preserve trade secrets.
- c. Employees leaving the Company:
 - 1) Are to turn in all confidential material during the exit interview (see SPI 9-94-013).
 - 2) Are to be reminded of continuing obligation not to disclose trade secrets or to use them in the new employment.

NOTE: If the new employer is a competitor, he should be advised of the confidentiality provisions of the employment agreement binding the former employee.

6. Disclosure to Need-to Know Outsiders

a. To Vendors or Contractors

- 1) Department Managers will obtain appropriate written confidential disclosure agreements to hold trade secrets in confidence prior to signing of purchase agreements or construction contracts; and
- 2) Shall see to the return of all copies of trade secrets after their purpose has been accomplished.

b. Customers

Will have a written confidentiality agreement prior to disclosure.

c. Licensees

Will have a confidentiality clause as part of the license agreement.



APPLETON PAPERS INC.

COMPANY POLICY

CP NC	PAGE
1-96-223	3 of 4
EFFECTIVE	REVISION
2-4-83	
APPROVED BY	
E. F. McKinney	

SUBJECT TRADE SECRET SECURITY

V. POLICY:

A. To insure the security of trade secrets, the following plan is established: (Continued)

d. Outside Consultants

Will have a written consultancy confidentiality agreement prior to retention of services (See CP 1-96-201).

e. Government Agencies

Disclosure must be approved by the Legal Department (See CP 1-96-216).

Sales By Applinton Coated Paper Company
To
National Cash Register Company

<u>Grade Description</u>	<u>Pounds sold</u>	
	<u>1968</u>	<u>1969</u>
CPS	33,881,960	43,766,823
CB	30,194,283	33,914,042
Tag	10,639,379	14,669,591
Ledger	4,118,172	6,104,020
Pre-Collated	2,966,793	4,866,904
Self-Contained	2,356,444	4,670,368
Misc. Other	1,317,766	4,038,918
Thermocopy	<u>120,316</u>	<u>32,876</u>
TOTAL	85,506,319	114,183,234

A Company records were maintained only for pound information by grade.
Dollar value by grade for shipments made is not determinable.

KAL000001

Sales By National Cash Register Company

To

Appleton Coated Paper Company

<u>Product Description</u>	<u>1968</u>	<u>1969</u>
Emulsion and Dye	\$8,110,919	\$7,039,517
Forms and Computer Rental	\$ 39,069	\$ 57,732
Base Stock		\$1,254,313*

* Purchased from Combined Paper Mills which became a subsidiary of

NCR in 1969.

KAL000002

Exhibit 13A

Sales By Appleton Coated Paper Company
To
National Cash Register Company

<u>Grade Description</u>	<u>Pounds Sold *</u>	
	<u>1968</u>	<u>1969</u>
CFB	33,881,300	43,706,822
CB	30,194,283	33,014,042
Tag	10,839,379	14,469,591
Lodger	4,118,172	8,104,020
Pre-Collated	2,966,793	4,966,904
Self-Contained	2,339,444	4,070,368
Misc. Other	1,317,766	4,028,918
Thermocopy	<u>120,316</u>	<u>32,478</u>
TOTAL	85,595,318	114,183,118

* Company records were maintained only for pound information by grade.
Dollar value by grade for shipments made is not determinable.

KAL000003

Sales By National Cash Register Company

To

Appleton Coated Paper Company

<u>Product Description</u>	<u>1968</u>	<u>1969</u>
Emulsion and Dye	\$8,110,919	\$7,089,517
Forms and Computer Rental	\$ 39,069	\$ 57,732
Base Stock		\$1,254,313*

* Purchased from Combined Paper Mills which became a subsidiary of

NCR in 1969.

KAL000004

#94

NCR

THE NATIONAL CASH REGISTER COMPANY

DAYTON, OHIO 45409

OFFICE OF
THE VICE PRESIDENT
AND GENERAL COUNSEL

September 14, 1970

Department of Justice
Antitrust Division
727 New Federal Building
Cleveland, Ohio 44199

Attention: Mr. Robert S. Zuckerman, Attorney

Re: The National Cash Register Company - Proposed
Acquisition of Appleton Coated Paper Company ("Appleton")

Gentlemen:

The information below and the documents submitted herewith constitute the second and final installment of NCR's response to your inquiry of July 14, 1970 to Mr. R. Stanley Laing, supplementing NCR's earlier response submitted under date of August 11, 1970.

As in the case of our earlier letter, we have for your ease of reference keyed our responses to the corresponding item numbers employed in your inquiry. However, to assist your understanding of certain portions of the information set forth below a few introductory notes would seem appropriate.

Item 9 as stated in your inquiry relates to the product lines disclosed in response to item 8, and items 10 and 11 are tied to our response to item 9. Our earlier response to item 8 consisted of a reference to the data set forth in item 6 of NCR's July 9, 1970 Special Report to the Federal Trade Commission. Examination of that data discloses a reporting problem inherent in the SIC code system employed in the Bureau of Census Forms from which the data was extracted. The principal dealings between NCR and Appleton have been in NCR's brand of carbonless copy paper (sold by NCR under the trademark "NCR Paper") for which Appleton has acted as one of NCR's production subcontractors. However, NCR's carbonless copy paper business has not been shown under a readily

KAL000005

Department of Justice
Antitrust Division

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September 14, 1970

Attn: Mr. Robert S. Zuckerman, Atty.

identifiable heading or SIC code number on NCR's Bureau of Census reports since carbonless copy paper has never been manufactured by NCR on its own premises. The result has been to lump most of our carbonless copy paper business into the catch-all SIC category (580000), covering goods purchased from others for resale without further processing on our premises, which category also covers, with respect to NCR, a substantial amount of other unrelated business. The only references to product lines related to carbonless copy paper in our response to item 6 of the FTC Special Report (which is a consolidation of NCR and all domestic subsidiaries) are those dealing with SIC code 262139 and a group of numbers prefixed 275 and 276, which latter numbers deal with business forms. The reference to 262139 indicates that NCR first entered that product line in July of 1969. Actually that date reflects NCR's acquisition of Combined Paper Mills, Inc. ("CPMI"), another of NCR's production subcontractors, for which 262139 was an existing product code for Bureau of Census purposes.

Some of the carbonless copy paper obtained by NCR from its production subcontractors has been used as a raw material by NCR's Systemedia (formerly Business Forms and Supply) Division in the production of various printed business forms which are marketed directly by NCR to ultimate consumers through NCR's nationwide network of branches. Such paper could be regarded as "used" or "sold" by NCR, but inasmuch as business forms as an end product are substantially different from the carbonless copy paper sold in bulk quantities to paper merchants, distributors and further converters by NCR's Special Products Division, the products are treated separately below even though Appleton is not in the business forms field.

Also not shown in the list of SIC numbers reported under item 6 of the FTC Special Report is the microcapsule emulsion for NCR's brand of carbonless copy paper, which emulsion is manufactured by NCR and "sold" to NCR's production subcontractors for use as one of the coating substances. The absence of that product line is due to NCR's accounting treatment of the emulsion as a consignment item which comes back to NCR on the coated paper and thus is not "sold" in an accounting sense. The records of NCR's production subcontractors, on the other hand, would probably reflect purchases of emulsion from NCR.

KAL000006

Department of Justice
Antitrust Division
Attn: Mr. Robert S. Zuckerman, Atty.

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September 14, 1970

As stated in our August 11 response, we regard NCR's brand of carbonless copy paper as an NCR product, not as a product of any of NCR's production subcontractors such as Appleton. Thus it is difficult for us to perceive how such paper produced for us by Appleton could be regarded as "competing" with any NCR product. Consequently our response to item 9 ignores the "compete with" element of the item and covers our carbonless copy paper business generally.

We believe that the foregoing explanation was required because without it you would doubtless encounter extreme difficulty in matching the data below with the material previously submitted in response to your item 3, which difficulty in all probability would result in a further request from you for clarification.

* * *

9. (1) NCR's annual domestic sales of (a) bulk carbonless copy paper and (b) business forms incorporating carbonless copy paper during the years 1968 and 1969 were as follows:

	(a) Sales of bulk carbonless copy paper by NCR's <u>Special Products Division</u>	(b) Sales of Business Forms incorporating carbonless copy paper by NCR's <u>Systemedia Division</u>
1968	\$47,225,418 (*)	\$12,900,000 (**)
1969	54,441,737 (*)	16,500,000 (**)

(*) Do not include intracompany "sales" of carbonless copy paper by Special Products Division to Systemedia Division valued at \$4,170,168 and \$5,245,323 in 1968 and 1969 respectively

(**) Do not include business forms produced by Systemedia Division for internal consumption by NCR, valued at approximately \$1,000,000 in each year.

KAL000007

Department of Justice
Antitrust Division

- 4 -

September 14, 1970

Attn: Mr. Robert S. Zuckerman, Atty.

(2) Viewing "industry sales" as reflecting only domestic sales of chemical-transfer carbonless copy paper comparable to the type of such paper sold by NCR, it is estimated that NCR's market share is approximately 85%. No estimates are available with respect to other carbonless transfer systems and carbonated transfer systems. As stated below, all of such products appear to enjoy complete market interchangeability. With respect to NCR's annual domestic sales of business forms incorporating carbonless copy paper, it is estimated that NCR's market share is approximately 3.6%.

10. The names and city addresses of the ten largest customers of bulk carbonless copy paper sold by NCR's Special Products Division (exclusive of "sales" to NCR's Systemedia Division) in 1968 and 1969 are as follows:

<u>Customer</u>	<u>1968</u>	<u>1969</u>
Moore Business Forms, Inc. Toronto, Ontario, Canada	\$5,256,000	\$6,770,000
Zellerbach Paper Co. San Francisco, California	5,594,000	6,256,000
Nationwide Papers Inc. Hamilton, Ohio	4,521,000	4,231,000
Chatfield Paper Co. Cincinnati, Ohio	2,093,000	2,313,000
Beeckman Paper Co. New York, New York	1,957,000	1,695,000
Standard Register Co. Dayton, Ohio	1,248,000	1,491,000
Carter, Rice Storrs & Bement Inc. Boston, Massachusetts	1,392,000	1,375,000
Uarco Incorporated Barrington, Illinois	1,256,000	1,317,000

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<u>Customer</u>	<u>1963</u>	<u>1969</u>
Reynolds & Reynolds Co. Dayton, Ohio	\$1,143,000	\$1,061,000
Control Data Corporation Lincoln, Nebraska	823,000	749,000

Certain of the cities shown in the foregoing list are the locations of plants or billing points of the companies named which are specified by them in connection with their purchases of carbonless copy paper from NCR. It is anticipated that in some instances the general offices of those companies may be located elsewhere.

NCR's ten largest customers of business forms incorporating carbonless copy paper sold by NCR's Systemedia Division in 1968 and 1969 cannot be determined without an excessive expenditure of time and money. Such forms are marketed locally by NCR's branches (numbering approximately 225 exclusive of sub-offices), which branches perform customer billing and maintain all sales records. No attempt has been made to correlate the nationwide results of such localized marketing into data responsive to this item.

11. NCR's principal competitors with respect to bulk carbonless copy paper comparable to the type of such paper sold by NCR are as follows:

Minnesota Mining and Manufacturing Company
St. Paul, Minnesota

U. S. Plywood-Champion Papers, Inc.
New York, New York

Nashua Corporation
Nashua, New Hampshire

NCR's principal competitors with respect to business forms incorporating carbonless copy paper are as follows:

Moore Business Forms Inc.
Niagara Falls, New York

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Burroughs Corporation
Detroit, Michigan

International Business Machines Corporation
Armonk, New York

Standard Register Company
Dayton, Ohio

Uarco Incorporated
Barrington, Illinois

Reynolds & Reynolds Co.
Dayton, Ohio

Ennis Business Forms
Ennis, Texas

12. NCR's major suppliers (production subcontractors) of carbonless copy paper, together with the dollar amounts of such paper purchased from each in 1968 and 1969, are shown below. The precise grades of such paper purchased from each during those years, expressed in pounds because of the unavailability of dollar figures, are shown on the accompanying schedule labeled "Exhibit 12". As explained above, most of such paper is resold by NCR's Special Products Division to various paper merchants, distributors and further converters. A portion is used by NCR's Systemedia Division in the production of business forms. As an ultimate end use, carbonless copy paper is used in the production of a wide variety of business forms and papers

	<u>1968</u>	<u>1969</u>
Appleton Coated Paper Company	\$22,420,000	\$32,439,000
Mead Corporation	12,583,000	13,740,000
Nekoosa-Edwards Paper Company	2,643,000	3,129,000
Combined Paper Mills, Inc. *	2,157,000	3,286,000

*Became a wholly owned subsidiary of NCR on July 31, 1969.

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13. Sales by Appleton to NCR during 1968 and 1969 were as follows:

<u>General Product Description</u>	<u>1968</u>	<u>Dollar Volume:</u> <u>1969</u>
Carbonless copy paper	\$22,420,000	\$32,425,000

Sales by NCR to Appleton during 1968 and 1969 were as follows:

<u>General Product Description</u>	<u>1968</u>	<u>Dollar Volume:</u> <u>1969</u>
Emulsion and Dye	\$ 6,005,213	\$ 7,213,054
Base stock*	2,508,989	1,244,647

It is possible that the local NCR marketing branch covering the territory which includes Appleton, Wisconsin, may have had minor dealings with Appleton in the nature of equipment sales and rentals and supply sales. No attempt has been made to determine the precise volume of such transactions inasmuch as the aggregate of such business is believed to be insignificant.

* * *

15. As stated earlier in one of the introductory paragraphs of our August 11 letter, NCR contemplates the operation of Appleton as a separate subsidiary. No changes in Appleton's business operations as heretofore conducted are anticipated.

16. The basic reason underlying NCR's desire to acquire Appleton is the hope that NCR by so doing will be able to retain some position in an industry which NCR created and pioneered and from which it could find itself excluded in the very near future. Carbonless copy papers were developed by NCR in the 1950's. Motivated in part by a disinclination to invest huge sums of capital in constructing production facilities for an experimental sideline product and more significantly by a total lack of

* Represents sales to Appleton by CPM for both full years. CPM did not, however, become a subsidiary of NCR until July 31, 1969.

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knowledge of or experience in the sciences of making and coating paper, NCR elected to subcontract the production of its carbonless copy paper to firms already in the paper industry who possessed some skills in coating technology and at least the beginnings of the manufacturing equipment required. One of the natural consequences of that election, however, has been to give those subcontractors a wealth of experience in the production of carbonless copy paper. When NCR's basic patents commence expiring in 1972, there would be little to prevent those of NCR's subcontractors which are fully integrated paper producers with large investments in coating skills and equipment from severing their existing relationships with NCR and either developing, producing and marketing their own carbonless systems or joining with others desiring to do the same. Thus, NCR could be excluded from the market absent some action to acquire paper production and coating facilities of its own.

As indicated in our response to item 14 set forth in our August 11 letter, NCR's available capital is now and for the foreseeable future will be dedicated to its continuing efforts to penetrate the electronic data processing equipment industry in the face of well-entrenched competition. Most of such equipment is traditionally leased to customers, and such leasing operations create a continuing drain on NCR's liquid resources. For that reason and for the reason that NCR still did not possess practical hands-on experience in the production processes involved in the coating of carbonless copy paper, NCR decided to acquire production skills and facilities, which decision has resulted in the acquisition of CPM in 1969 and the proposed acquisition of Appleton in 1970, both such transactions involving the issuance of NCR stock to avoid cash expenditures.

Of the four subcontractors which have produced NCR's brand of carbonless copy paper, CPM and Appleton would appear to be the least capable of ever ripening into potential entrants into the carbonless copy paper industry through their own efforts. CPM was before its acquisition by NCR in 1969, and still is, a paper manufacturer of insignificant size lacking ownership of or other affiliation with paper merchants or distributors and possessing only rudimentary marketing skills. CPM was and still is the smallest of the four subcontracting firms, and its coating skills and experience have been largely limited to the application of reactant coatings to the face-side of paper used in NCR's multi-ply carbonless system, substantially the least difficult of the various coating

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operations required. CPM's efforts in coating the back-side of papers with the microcapsule emulsion carrying the dyes which combine to produce an image with the reactant coating on the face-side of the next adjacent sheet in a multi-ply forms sets have for the most part been experimental and not in significant production quantities.

Appleton is a highly specialized paper processor engaged only in the business of coating papers for the particular uses of others. It makes no paper of its own, being dependent upon raw-stock producers for paper to coat. As an intermediate processor, it has never had reason to develop a marketing organization geared to sell its products through paper distributors. It likewise owns no paper merchants or distributors. As a factor in the over-all paper industry, it is also of insignificant size. Appleton's skills and equipment in connection with its role as a subcontractor coating carbonless copy paper for NCR have been largely dedicated to the much more complex coating of the back-side of papers with the microcapsule emulsion. Appleton has for the past several years produced substantially in excess of 50% of NCR's requirements of carbonless papers, and those sales by Appleton to NCR have constituted approximately 70% or more of Appleton's total dollar business volume. Thus, Appleton has tended to become a near captive supplier to NCR, and it would seem that the acquisition of Appleton by NCR would have little effect on competition.

NCR proposes to maintain its existing relationships with its other two subcontractors, Mead Corporation and Nekoosa Edwards (now a part of Great Northern) so long as those firms are willing to continue those relationships. However, both of those firms are large, well-financed fully integrated paper companies with the capacity to manufacture their own pulp and paper, coat paper, and market the finished products through their own captive merchant chains. As such both are capable of producing and marketing their own carbonless systems and must accordingly be regarded as potential independent entrants in the industry. One of them, Mead, has recently expressed an ultimate desire to become an entrant. Planning along such lines by Mead and Nekoosa Edwards might in fact be stimulated by NCR's acquisition of Appleton.

Not mentioned above are other entrants in the carbonless copy paper field which as of this date consist of an additional fully integrated paper company (U. S. Plywood-Champion), an independent paper converter (Nashua Corporation), and an extremely large multi-product corporation

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with considerable experience in the production and sale of specialty paper products (Minnesota Mining and Manufacturing Company). All are evidently capable of performing their own in-house coating operations for all or a substantial portion of the carbonless copy papers produced by them. 3M has for several years produced a carbonless system through a royalty arrangement with NCR because of NCR's heretofore protected patent position. 3M's activities will doubtless increase upon termination of that arrangement at the time of the 1972 patent expiration. U. S. Plywood-Champion and NCR are presently in litigation over the patent infringement issue, but as stated above NCR's basic patents will commence expiring in 1972, precluding injunctive relief against infringement. Not enough is known about Nashua's system at this time to evaluate the patent issue.

As a result of all of the foregoing, competitive activity in the industry is on the brink of becoming exceedingly intense. NCR's patent-protected position (once occupying 100% of the industry and diluted in 1965 by the entry of 3M) could, without considerable planning for the future, be suddenly reduced to a near 0% position. NCR, of course, has no assurance that it will be able to retain any part of the market in the face of this burgeoning competition despite its present planning.

Referring again to our response to item 14 as set forth in our August 11 letter, carbonless copy papers themselves compete with more traditional and less expensive multi-ply systems employing carbon papers and carbon backings. For virtually all known uses, carbonless and carboned systems are fully interchangeable. Of the two, carbonless systems, as high-priced convenience-oriented products, are believed to enjoy a substantially smaller share of the total market for all such systems. NCR's position in the carbonless copy paper industry must accordingly be viewed in the light of that total market.

* * *

Please accept our apologies for taking so long to put this final response in your hands. It proved to be much more difficult to obtain the information required to respond to items 9 through 13 of your inquiry than we had originally expected.

KAL000014

Department of Justice
Antitrust Division

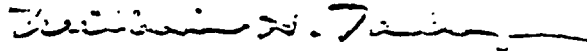
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Attn: Mr. Robert S. Zuckerman, Atty.

A continued file search for further documents responsive to item 5 of your inquiry has been unproductive, and you may regard our earlier response to that item as being complete. We are accordingly closing our file in connection with this matter and trust that the information set forth above and in our earlier response will similarly permit you to conclude your inquiry.

Very truly yours,



William H. Talmage
Assistant General Counsel

WHT:mr

Enclosure

KAL000015

(1)

Mr. W. H. Lalmage
Assistant General Counsel.

Re: Appleton Coated Paper Company

This is in reply to your letter of July 21, 1970 concerning the request for information from the Department of Justice relative to the proposed acquisition of Appleton Coated Paper Company.

8. - A list of the general product lines manufactured and sold by National Cash Register and each of its divisions and subsidiaries including, but not limited to, Combined Paper Mills (alcohol, if possible, the 7-digit Bureau of Census product code for each such product line).

This item has been answered as a result of the report we furnished in reply to the questionnaire from the Federal Trade Commission and as per your memo stating same.

(-)

9. - For each of the product lines shown in Item 8 which compete with or use any product of the type manufactured and/or sold by Appleton Coated Paper please give (1) the dollar volume of sales made by your company and its divisions and subsidiaries in 1968 and 1969; and (2) the estimated percentage share of industry sales possessed by your company and its divisions and subsidiaries.

Product Code 264119 - Printing paper coated at other than where the paper was produced.

This product code would include MCR Paper which is produced by Appleton Coated Paper for the Special Products division. Special Product Division annual domestic sales of MCR paper to customers and to the Systemed division are as shown below. The dollar amount for customers and Systemed division are at sales value and are comparable.

	<u>Customers</u>	<u>Systemedie division</u>
1968	\$47,225,000	\$4,120,000
1969	54,442,000	*5,245,000

Product Code 264952 - Other converted paper and board products (Business Machine supplies, laminated and tiled wallboard, unprinted tags, dispenser, shelf paper, etc., except patterns).

Systemedie division sales of business machine supplies which are included in the product code as reported to the Bureau of Census on Form MA-100 - Annual Survey of Manufacturers are as follows for the years 1968 and 1969

1968

1969

Included in the above amounts are business forms which use NCR paper. The sales value of these forms are \$6,500,000 and \$2,900,000, for 1968 and 1969, respectively.

KAL000018

NCR's share of the total market for business forms reported on this product code is estimated to be approximately 3.6%.

We would also like to direct your attention to NCR's reporting of NCR paper on form MA-100. Two conditions are rather important.

- 1) since NCR manufactures emulsion which is shipped and sold to the paper mills for coating paper which is then sold to NCR. The sale of this emulsion is not accounted for as a sale since it becomes a part of the paper cost; 2) the NCR paper was reported as an item purchased for resale without further fabrication since it is coated by the mills and shipped direct to customers.

KAL000019

10. - The names and city addresses of the ten largest customers for each product or product line listed in response to Item 9 for your company and its divisions and subsidiaries in 1968 and 1969, together with the products and dollar amount sold to each.

Product Code 264952 -

(next page)

Product Code 264952 -

Information as to our ten largest customers for this product line is not readily available. The products included in the product line are manufactured by the American division, however the domestic branches service the customers for both direct shipments and branch sales.

The accounts receivable records are also maintained by the branches, the task of surveying approximately 220 branches to ascertain the ten largest customers

would be quite an undertaking and costly.

* *

Product Code 264952	1968	1969
Moore Business Forms Toronto, Ontario Canada	\$ 5,256.000	\$ 6,770.000
Zellerbach Paper Co. San Francisco, California	5,594.000	6,259.000
Nationwide Papers, Inc. Hamilton, Ohio	4,521.000	4,231.000
Chetfield Paper Co. Cincinnati, Ohio	2,093.000	2,313.000
Berkman Paper Co. New York, N. Y.	1,952.000	1,685.000
Standard Register Co. Dayton, Ohio	1,248.000	1,491.000
Carter, Rice Stearns & Bennett, Inc. Boston, Mass.	1,392.000	1,375.000
Chase, Inc. Barrington, Illinois	1,256.000	1,317.000
Reynolds & Reynolds Co. Dayton, Ohio	1,143.000	1,066.000
Control Data Corporation Lincoln, Nebraska	823.000	748.000

11- The names, city addresses of the principal competitors of your company and each of its divisions and subsidiaries in each of the products or product lines listed in response to Item 9.

Product Code 264952 -

Morse Business Forms - Niagara Falls, New York

Burroughs Corporation - Rochester, New York

I.B.M. Accounts, New York

Standard Register Company - Dayton, Ohio

Wesco - Birmingham, Alabama

Reynolds and Reynolds - Dayton, Ohio

Erwin Business Forms - Erwin, Tennessee

Product Code 264119 -

Minnesota Mining & Manufacturing -

Champion Paper Co.

Washua

12.

A list of your company's five major suppliers of the type of paper manufactured by Appleton.

Control Paper and the uses for said paper products, together with the products and dollar amount purchased from each supplier in 1968 and 1969.

Product Code 264119 -

	<u>1968</u>	<u>1969</u>
Appleton Control Paper	\$ 22,420,000	\$ 32,439,000
Inead Corporation	12,583,000	13,748,000
McKerran - Edwards	2,643,000	3,129,000
Combined Paper Mills	2,152,000	3,286,000

The Company does not maintain records of purchases from the above companies by product and by dollar value; however we do have the information in pounds as per Schedule F attached.

KAL000023

13 - Show all sales of products by Appleton Coated Paper Company to National Cash Register and sales by National Cash Register to Appleton Coated Paper, including the items sold and the dollar volume of such sales and general description for 1968 and 1969.

<u>Product description</u>	<u>1968</u>	<u>1969</u>
Emulsion and dye	\$ 5,932,218	\$ 7,209,054
	+ 13,000	7,000
@ 7. VCR Paper	2,508,989	1,244,641

KAL000024



THE NATIONAL CASH REGISTER COMPANY • DAYTON OHIO 45409
DATA PROCESSING • ACCOUNTING MACHINES • CASH REGISTERS • ADDING MACHINES • SERVICE • SUPPLIES

INTERDEPARTMENT CORRESPONDENCE

OFFICE OF
CONTROLLER

September 17, 1970

Mr. W. H. Talmage
Assistant General Counsel

Re: Appleton Coated Paper Company

This is in reply to your letter of July 21, 1970 concerning the request for information from the Department of Justice relative to the proposed acquisition of Appleton Coated Paper Company.

- "8. A list of the general product lines manufactured and sold by National Cash Register and each of its divisions and subsidiaries including, but not limited to, Combined Paper Mills (also list, if possible, the 7-digit Bureau of Census product code for each such product line)."

This item has been answered as a result of the report we furnished in reply to the questionnaire from the Federal Trade Commission and as per your memo stating same.

- "9. For each of the product lines shown in Item 8 which compete with or use any product of the type manufactured and/or sold by Appleton Coated Paper, please give (1) the dollar volume of sales made by your company and its divisions and subsidiaries in 1968 and 1969, and (2) the estimated percentage share of industry sales possessed by your company and its divisions and subsidiaries."

Product Code 264119 - Printing paper coated at other than where the paper was produced.

This product code would include NCR Paper which is produced by Appleton Coated Paper Company for the Special Products Division. Special Products Division's annual domestic sales of NCR Paper to customers and to the Systemedia Division are as shown below. The dollar amounts for customers and Systemedia Division are at sales value and are comparable.

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	<u>Customers</u>	<u>Systemedia Division</u>
1968	\$47,225,000	\$4,170,000
1969	54,442,000	5,245,000

Product Code 264952 - Other converted paper and board products
 (business machine supplies, laminated and tiled wallboard, unprinted tags,
 draperies, shelf paper, etc., except patterns.)

Systemedia Division sales of business machine supplies which
 are included in this product code as reported to the Bureau of Census on
 Form MA-100 - Annual Survey of Manufactures are as follows for the years
 1968 and 1969.

1968	\$27,144,000
1969	13,246,000

NCR's share of the total market for business forms reported in
 this product code is estimated to be approximately 3.6%.

We would also like to direct your attention to NCR's reporting
 of NCR Paper on form MA-100. Two conditions are rather important: (1)
 NCR manufactures emulsion which is shipped and sold to the paper mills
 for coating paper which is then sold to NCR. The sale of this emulsion
 is not reported as a sale by NCR since it becomes a part of the paper
 cost. (2) The NCR Paper was reported as an item purchased for resale
 without further fabrications since it is coated by the mills and shipped
 directly to customers.

"10. The names and city addresses of the ten largest customers
 for each product or product line listed in response to
 Item 9 for your company and its divisions and subsidiaries
 in 1968 and 1969, together with the products and dollar
 amount sold to each."

Product Code 264119

	<u>1968</u>	<u>1969</u>
Moore Business Forms		
Toronto, Ontario, Canada	\$5,256,000	\$6,770,000
Zellerbach Paper Co.		
San Francisco, California	5,594,000	6,259,000
Nationwide Papers, Inc.		
Hamilton, Ohio	4,521,000	4,231,000

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Page THREE

<u>Product Code 264119 (Cont'd)</u>	<u>1968</u>	<u>1969</u>
Chatfield Paper Co. Cincinnati, Ohio	\$2,093,000	\$2,313,000
Beekman Paper Co. New York, N. Y.	1,957,000	1,695,000
Standard Register Co. Dayton, Ohio	1,248,000	1,491,000
Carter, Rice Stores & Bement Inc. Boston, Mass.	1,392,000	1,375,000
Uarco, Inc. Barrington, Illinois	1,256,000	1,317,000
Reynolds and Reynolds Co. Dayton, Ohio	1,143,000	1,061,000
Control Data Corporation Lincoln, Nebraska	823,000	749,000

Product Code 264952 - Information as to our ten largest customers for this product line is not readily available. The products included in this product line are manufactured by Systemedia Division; however, the domestic branches invoice the customers for both direct shipments and branch sales. The accounts receivable records are also maintained by the branches, thus, the task of surveying approximately 220 branches to ascertain the ten largest customers would be quite an undertaking and extremely costly.

"11. The names and city addresses of the principal competitors of your company and each of its divisions and subsidiaries in each of the products or product lines listed in response to Item 9."

Product Code 264952

Moore Business Forms - Niagara Falls, New York
Burroughs Corporation - Rochester, New York
IBM - Armonk, New York
Standard Register Company - Dayton, Ohio
Uarco - Barrington, Illinois
Reynolds and Reynolds - Dayton, Ohio
Ennis Business Forms - Ennis, Texas

KAL000027

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September 17, 1970
Page FOUR

Product Code 264119

Minnesota, Mining and Manufacturing - St. Paul, Minn.
Champion Paper Co. - Hamilton, Ohio
Nashua - St. Nashua, N. H.

"12" A list of your company's five major suppliers of the type of paper manufactured by Appleton Coated Paper and the uses for such paper products, together with the products and dollar amount purchased from each supplier in 1968 and 1969."

Product Code 264119

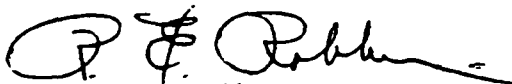
	<u>1968</u>	<u>1969</u>
Appleton Coated Paper	\$22,420,000	\$32,439,000
Mead Corporation	12,583,000	13,748,000
Nekoosa -Edwards	2,643,000	3,129,000
Combined Paper Mills	2,157,000	3,286,000

The Company does not maintain records of purchases from the above companies by product and by dollar value; however, we do have the information in pounds as per Schedule I attached.

"13. Show all sales of products by Appleton Coated Paper Company to National Cash Register and sales by National Cash Register to Appleton Coated Paper, including the items sold and the dollar volume of such sales and general description for 1968 and 1969."

<u>Product Description</u>	<u>1968</u>	<u>1969</u>
Emulsion	\$5,932,218	\$7,209,054
CF NCR Paper	2,508,989	1,244,647
Bips and CVL Dye	73,425	6,625

In addition, there may be local branch sales and/or equipment rental to Appleton. Records for sales or rental of this nature are maintained primarily by order number and the value would not necessarily be significant; therefore, no value is reported.



R. E. Robbins
ASSISTANT CONTROLLER

RER/keb
Attachment

cc: Mr. A. L. Alonzo
Mr. C. Reams

KAL000028

SCHEDULE I

Purchased in Pounds

	<u>1968</u>	<u>1969</u>
A. Appleton		
15# CB	24,669,370#	26,466,310#
20# CB	3,922,540	3,779,860
26# CB	3,354,670	2,477,220
30# CB	799,270	991,630
13# CB Translucent	43,160	16,690
24# CB Release	5,500	-
22# CB - 25% Rag	42,780	38,490
26# CB Multilith Master	10,480	9,060
12.4# CFB	90,900	429,610
13.6# CFB	106,000	-
17# CFB	35,078,120	40,067,780
15# CF	2,321,140	2,722,720
20# CF	838,940	2,096,380
22# CF Barrier	500	5,000
CF - Blotter	99,800	143,640
14# Self Contained	2,886,840	4,576,430
17# Self Contained	7,000	44,600
35# CF C1S	2,580,470	4,133,800
38# CF C2S	1,457,290	1,735,260
34# CF C2S	123,170	120,640
38# CB C2S	1,110	11,580
Thermocopy	34,800	-
Tag CF	11,046,510	13,385,060
31# CF C1S	-	10,000
24# CB Glassine	-	5,000
Spec. Mohawk Led. CF	-	44,000
Total	89,520,360#	103,310,760#

B. Mead

15# CB	14,194,570	15,591,590
20# CB	1,865,660	1,846,460
22# CB	45,000	45,000
26# CB	1,276,960	1,713,140
30# CB	5,000	-
26# CB Safety	454,070	560,130
15# CFB	452,520	716,600
17# CFB	17,308,130	14,787,350
28# CFB	193,550	231,220
33# CFB	1,230	-
13# CF	33,500	-

KAL000029

SCHEDULE I
Page TWO

B. Mead (Cont'd)

	<u>1968</u>	<u>1969</u>
15# CF	5,161,950#	2,845,980#
20# CF	1,771,660	169,810
26# CF	15,600	10,000
27# CF C1S	43,040	10,000
31# CF C1S	5,000	-
35# CF C1S	2,630,190	1,358,430
30# CF C2S	71,200	60,900
34# CF C2S	67,170	15,850
38# CF C2S	896,550	673,340
Tag CF	1,804,500	137,380
Tab CF	14,000	118,960
24# CB	-	15,000
27# CF	-	41,850
	<hr/>	<hr/>
Total	48,311,050#	40,948,990#

C. Nekoosa

15# CF	15,586,490	15,262,780
20# CF	-	359,770
	<hr/>	<hr/>
Total	15,586,490#	15,622,550#

D. Combined

15# CF	14,414,980#	32,222,580#
Total Pounds	167,832,880#	192,104,880#

KAL000030

KAL000031

O.	J. WHITE	J. COLORED	SUPERIOR	MANILA TAG	TOTAL	WRAPPER	MIXED	MONTHLY TOTAL BROKE	MONTHLY PRODUCTION PER SEC. BRO	PERCENT BROKE TO TOTAL	HOURS	LES PER MAN HOUR
AN	16,120	207,565	116,801	12,380	225,310	184,790	51,410	1,221,917	11,024,678	11.08	1,288.5	5,348.7
EB	33,930	248,795	178,120	21,325	277,244	198,770	116,877	1,286,091	11,412,983	11.27	1,316.5	5,897.5
UR	59,028	267,780	198,425	18,200	345,682	254,290	142,195	1,400,426	12,412,618	11.78	1,353.7	1,039.7
PR	118,545	230,730	108,880	26,795	38,955	100,705	163,506	1,334,701	12,457,598	10.71	1,256.3	1,062
LY	593,880	270,315	84,575	36,530	50,595	86,790	133,565	1,443,840	12,481,487	11.57	1,343.0	1,075
RE	100,770	196,085	133,920	30,275	27,820	75,540	154,790	1,432,111	11,624,901	12.32	1,249.7	1,146
LY	83,295	169,840	75,230	26,400	33,395	95,185	110,680	1,089,915	9,299,493	11.72	1,085.0	1,005
4,655	2,110	136,142	10,560		21,475	18,605	4,565	206,357	2,395,099	8.61	331.5	622
P.												
T.												
V.												
C.												
8T												
Due to many Broke Classification changes, no direct comparison can be made between yearly classification totals												
37	#1 WHITES	42,739	2,760,770	4,232,537	94,075	248,790	169,655	13,950,950	128,678,442	10.82	15,618.95	892
38	#1 WHITES	418,974	2,943,052	4,701,468	153,989	308,315	303,771	14,859,557	135,130,909	11.00	16,345.9	909
39	#1 WHITES	491,405	2,983,750	3,035,510	141,175	303,999	247,980	13,023,944	117,824,313	11.67	11,984.9	1,69
40	#1 WHITES	365,000	2,700,000	2,700,000	100,000	200,000	200,000	10,000,000	10,000,000	10.00	10,000.0	1,000

J. Swain
 J. Moninger
 J. Campshure
 R. Hildley
 J. P. Rosenow
 J. Schmalz
 J. Casey
 J. Pisch

	WHITES	COLORS	CR. WHITE	CR. COLORED	SUPERTUFF	MANILA TAG	NO VALUE	WRAPPER	MIXED		MONTHLY TOTAL BROKE	MONTHLY PRODUCTION PER-SEC-BRK	PERCENT BROKE TO TOTAL	HALER MAN HOURS	LBS. PER MAN HOUR
UN	115,120	207,565	116,801	331,050	12,980	25,310	276,831	84,790	51,470		1,221,917	11,024,678	11.08	1,288.5	2,948
FB	89,930	248,795	81,120	356,605	11,325	27,244	235,425	98,770	116,877		1,286,091	11,412,983	11.27	1,316.5	2,977
LR	99,029	246,780	98,425	424,855	18,200	45,682	229,970	95,290	142,195		1,400,426	12,412,618	11.28	1,353.7	2,103.5
RR	118,545	230,730	108,880	355,940	26,795	38,955	190,645	100,705	163,506		1,334,701	12,457,598	10.71	1,256.3	1,062
Y	93,880	270,415	84,575	469,655	36,530	50,595	217,815	86,780	133,585		1,443,840	12,481,457	11.57	1,343.0	1,075
NE	100,770	196,085	133,920	516,737	30,275	27,820	196,174	75,540	154,790		1,432,111	11,624,901	12.32	1,249.7	1,146
LY	83,295	169,840	75,230	320,610	26,400	33,395	175,280	95,185	110,680		1,089,915	9,299,493	11.72	1,085.6	1,005
	4,655	8,245	2,110	136,142	10,560		21,475	18,605	4,565		206,357	2,395,099	8.61	331.5	622
P															
T															
V															
D															
BT															

Due to many Broke Classification changes, no direct comparison can be made between yearly classification totals.

	#1 WHITES	TINTS	NCR	SUPERTUFF	WHITE TAG	MANILA TAG	LATEX IMP	WRAPPER	MISC.	OTHER					
7	542,739	2,760,770	4,232,637	94,075	494,790	169,655	2,804,209	1,054,152	1,193,963	604,060	13,950,950	128,678,442	10.82	15,618.95	892
6	418,974	2,943,052	4,701,468	153,989	908,315	303,771	984,668	922,556	3,233,338	289,426	14,859,557	135,150,909	11.00	16,345.9	909
5	491,405	2,083,750	3,930,150	114,175	1,025,795	287,980	467,746	1,192,217	2,822,026	351,510	13,023,944	117,684,313	11.07	14,894.5	869

355,000 Lbs. Cores in Wrapper Headers Added to 165 Broke
 PREPARED BY

KAL000033

GRADE DISTRIBUTION AT APPLETON

MILLIONS OF POUNDS

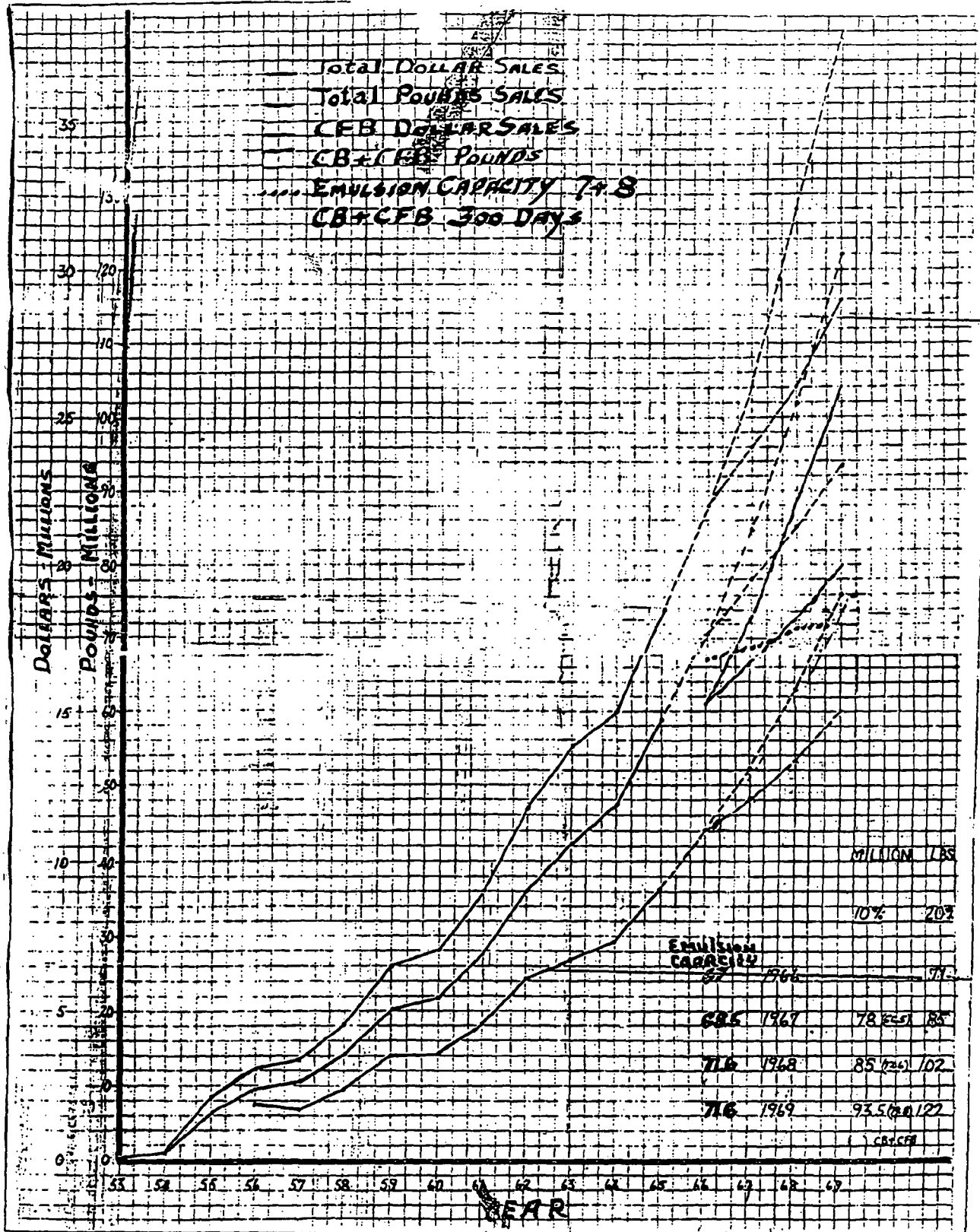
<u>Yr.</u>	<u>REG WC. CFB</u>	<u>Lt. WC. CFB</u>	<u>SELF CONT.</u>	<u>SCD CB</u>	<u>CF GRADE</u>	<u>Misc.</u>	<u>TOTAL</u>
60	10.1			8.8	2.8	0.2	21.9
1	12.7			11.1	3.9	0.1	27.8
2	16.9			14.3	4.8	0.1	5.1
3	19.0	0.2		16.9	6.2	0.2	42.5
4	21.6			17.5	7.8	0.5	47.4
5	25.6			22.7	9.0	0.6	57.9
6	30.0			25.9	11.6	0.7	68.2
7	31.1			28.4	12.4	1.0	72.9
8	33.8	1.0	3.0	30.8	14.2	0.3	83.1
9							90.0
70							98.0
1							
2							

MACHINE PLANNING FOR OPTIMUM GAIN
TO NCR AND APCO REQUIRES
FIRM ESTIMATE OF:

- A. TOTAL TONNAGE
- B. GRADE DISTRIBUTION

GFB (REG. + Lt. WT.)
CB
SC
CF GRADES.

KAL000034



KAL000035

MANUFACTURING STATISTICS

(1) 1970 Q. AVE.	1977 Q. AVE.	1976 MO. AVE.	1978 MO. AVE.	1974 MO. AVE.	1973 MO. AVE.	1972 MO. AVE.	1971 MO. AVE.	1970 MO. AVE.	1973 MO. AVE.	1973 MO. AVE.	1977 MO. AVE.
TOTAL PRODUCTION (MFS)											
COMM. Sheets	67	74	120	77	60	50	101	112	114	124	2,001
Rods											578.2
Seconds											174.2
COMMERCIAL TOTAL	3,653	3,211	3,209	2,048	3,779	4,234	3,800	3,502	3,232	3,327	3,520
HCR Sheets	4,417	3,734	3,664	4,186	5,110	4,607	3,648	2,871	2,467	2,766	1,976
Rods	16,844	11,191	10,180	7,471	9,632	9,173	8,180	6,700	6,632	6,670	6,853
Pre-Conditioned											4,278
HCR TOTAL	19,771	14,925	13,864	11,607	14,648	13,870	11,838	9,571	9,100	9,434	7,800
NON-IMPACT DIELECTRIC NON-PAPER REWORK											516
TOTAL PERFECTS & REWORK	23,334	18,130	16,743	14,263	18,477	18,104	14,448	12,800	12,241	12,781	9,306
TOTAL PERF. NEW, ASEQ.	23,401	18,210	16,873	14,330	18,617	18,200	14,647	12,892	12,368	12,868	9,600
WASTE	2,979	2,046	1,761	1,933	2,211	2,180	1,691	1,631	1,427	1,631	1,181
MILL TOTAL	26,300	20,260	18,634	16,263	20,728	20,380	17,348	14,523	13,762	14,418	10,780
YIELD											11:1040
PERFECTS %	88.46%	89.63%	87.74%	87.46%	88.80%	89.97%	83.94%	88.00%	88.83%	88.67%	87.65%
SECONDS %	0.28%	0.37%	0.86%	0.47%	0.49%	0.47%	0.60%	0.77%	0.83%	0.88%	1.11%
WASTE %	11.26%	10.11%	11.61%	12.06%	10.67%	10.67%	10.36%	10.44%	10.34%	10.62%	10.81%

MANUFACTURING STATISTICS

	1972	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957
	MO. AVE.	YTD	MO. AVE.	MO. AVE.	MO. AVE.	MO. AVE.	MO. AVE.	MO. AVE.	MO. AVE.	MO. AVE.	MO. AVE.	MO. AVE.	MO. AVE.	MO. AVE.	MO. AVE.	MO. AVE.	MO. AVE.
TOTAL PRODUCTION (41 FS)																	
COND	1,710	20,822,855	1,663	1,918	2,160	2,228	2,622	2,711	2,769	3,432	3,103	2,243	2,814	2,814	2,814	2,814	2,814
Shade	603	6,990,818	609	677	601	628	769	1,078	906	1,072	1,020	1,210	1,412	1,412	1,412	1,412	1,412
Secunda																	
COMMERCIAL TOTAL	2,293	27,613,118	2,487	2,898	2,787	2,896	3,328	3,859	3,820	4,689	4,198	3,628	4,104	4,104	4,104	4,104	4,104
INCR	11,761	100,012,061	11,778	11,761	11,761	11,761	11,761	11,761	11,761	11,761	11,761	11,761	11,761	11,761	11,761	11,761	11,761
Shade	9,978	100,012,061	9,978	9,978	9,978	9,978	9,978	9,978	9,978	9,978	9,978	9,978	9,978	9,978	9,978	9,978	9,978
Rate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pre-Combined	21,429	289,641,779	21,429	19,906	20,777	19,906	19,906	19,906	19,906	19,906	19,906	19,906	19,906	19,906	19,906	19,906	19,906
NON-PAPER	4,219	74,827,162	4,219	4,219	4,219	4,219	4,219	4,219	4,219	4,219	4,219	4,219	4,219	4,219	4,219	4,219	4,219
ELECTRICO	40	410,179	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
REWORK	103	2,734,853	103	103	103	103	103	103	103	103	103	103	103	103	103	103	103
TOTAL PERFECTS & REWORK	30,397	304,407,137	30,397	30,397	30,397	30,397	30,397	30,397	30,397	30,397	30,397	30,397	30,397	30,397	30,397	30,397	30,397
TOTAL PERF. REW. AS EQ.																	
WASTE	4,118	4,118	4,118	4,118	4,118	4,118	4,118	4,118	4,118	4,118	4,118	4,118	4,118	4,118	4,118	4,118	4,118
MILL TOTAL	34,898	34,898	34,898	34,898	34,898	34,898	34,898	34,898	34,898	34,898	34,898	34,898	34,898	34,898	34,898	34,898	34,898
YIELD																	
PERFECTS %	88.74%	88.74%	88.74%	88.74%	88.74%	88.74%	88.74%	88.74%	88.74%	88.74%	88.74%	88.74%	88.74%	88.74%	88.74%	88.74%	88.74%
SECONDS %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
WASTE %	11.76%	11.76%	11.76%	11.76%	11.76%	11.76%	11.76%	11.76%	11.76%	11.76%	11.76%	11.76%	11.76%	11.76%	11.76%	11.76%	11.76%

KAL000037

APPLETON COATED PAPER

1969 PROFITABILITY

J. E. Grabow

KAL000038

THE APPLETON COATED PAPER COMPANY
1969 PROFITABILITY
NCR CLASSIFICATION

1970 Budgeted Tonnage in M Lbs.

GRADE DESCRIPTION	SALES IN POUNDS		PERCENT CHANGE	YIELD		CWT. NET MANUFACTURING COST		CWT. AVERAGE SELLING PRICE	
	1968	1969		1968	1969	1968	1969	1968	1969
NCR Thermocopy Paper	105,075	7,839	(92.5)%	67.9%	39.2%	\$157.45	\$288.83	\$176.42	\$176.83
1970 Budgeted Data		--		--	--		--		--
NCR Thermal Paper	15,441	24,837	60.9	71.6	--	131.87	--	151.04	--
1970 Budgeted Data		300			90.0		34.05		45.75
Total Thermocopy	120,516	32,676	(72.9)%	68.4%	39.2%	\$154.32	\$289.93	\$173.32	\$176.83
CB 33# Sheets	4,009,942	4,894,763	22.1%	90.3%	90.3%	\$ 29.89	\$ 29.89	\$ 36.41	\$ 36.74
1970 Budgeted Data		4,659			90.6		31.16		38.02
CB 46# Sheets	1,469,059	2,117,036	44.1	91.3	90.5	25.07	25.17	32.02	32.74
1970 Budgeted Data		2,098			91.0		25.16		33.65
CB 61# Sheets	788,740	839,356	6.4	89.8	90.5	23.28	23.17	28.65	29.31
1970 Budgeted Data		844			88.5		24.07		29.95
Total CB Sheets	6,267,741	7,851,155	25.3%	90.5%	90.4%	\$ 27.69	\$ 27.78	\$ 34.51	\$ 34.75
CB 33# Rolls	19,308,080	21,999,416	13.9%	96.4%	96.4%	\$ 26.55	\$ 26.33	\$ 30.37	\$ 31.00
1970 Budgeted Data		16,820			96.8		27.54		31.68
CB 46# Rolls	2,167,888	2,028,142	(6.4)	96.4	96.4	23.41	23.45	28.10	28.75
1970 Budgeted Data		1,580			96.5		23.62		29.66
CB 61# Rolls	2,450,574	2,035,329	(16.9)	96.2	95.9	22.31	22.51	26.91	27.50
1970 Budgeted Data		1,600			96.5		21.62		28.25
Total CB Rolls	23,926,542	26,062,887	8.9%	96.4%	96.3%	\$ 25.82	\$ 25.82	\$ 29.79	\$ 30.56
Emul. 25% Rag Bond Sheets	38,817	42,763	10.2%	84.9%	83.0%	\$ 44.19	\$ 44.40	\$ 52.35	\$ 53.60
1970 Budgeted Data		--			--		--		--
Emul. 25% Rag Bond Rolls	8,916	--	(100.0)	96.5	--	38.63	--	50.90	--
1970 Budgeted Data		--			--		--		--
Total Emul. 25% Rag Bond	42,733	42,763	.1%	87.5%	83.0%	\$ 42.83	\$ 44.40	\$ 52.05	\$ 53.60
Pre-Collated Sheets	2,966,793	4,966,904	67.4%	84.2%	84.2%	\$ 30.99	\$ 31.71	\$ 37.03	\$ 36.63
1970 Budgeted Data		8,100			85.0		32.69		37.16
Total Pre-Collated	2,966,793	4,966,904	67.4%	84.2%	84.2%	\$ 30.99	\$ 31.71	\$ 37.03	\$ 36.63

KAL000039

THE APPLETON COATED PAPER COMPANY
1969 PROFITABILITY
NCR CLASSIFICATION

1970 Budgeted Sales in M Lbs.

GRADE DESCRIPTION	SALES IN POUNDS		PERCENT CHANGE	YIELD		CWT. NET MANUFACTURING COST		CWT.	AVERAGE
	1968	1969		1968	1969	1968	1969	SELLING	PRICE
CFB White Sheets	2,862,360	3,654,563	27.77	87.07	88.67	\$31.48	\$29.85	\$38.85	\$38.22
1970 Budgeted Data		4,331			88.5		30.99		39.07
CFB Canary Sheets	1,779,828	2,480,217	39.4	88.5	89.7	31.89	30.83	40.14	39.02
1970 Budgeted Data		2,867			89.0		31.87		40.13
CFB Pink Sheets	1,430,277	1,921,346	34.3	89.3	87.1	31.77	31.76	40.21	39.76
1970 Budgeted Data		2,074			88.0		32.16		40.15
CFB Green Sheets	656,662	970,684	47.8	89.7	88.0	32.65	32.64	40.33	40.42
1970 Budgeted Data		1,208			89.5		31.91		40.06
CFB Goldenrod Sheets	340,925	449,245	31.8	87.3	91.0	33.72	31.34	40.57	38.88
1970 Budgeted Data		537			88.5		32.98		40.24
CFB Blue Sheets	765,540	958,597	25.2	87.6	88.5	33.40	32.62	40.41	40.57
1970 Budgeted Data		1,834			88.0		32.41		40.15
Total CFB Sheets	7,835,592	10,434,652	33.27	88.07	88.7	\$32.00	\$30.97	\$39.72	\$39.10
CFB White Rolls	12,231,272	15,715,101	28.57	96.47	95.57	\$26.84	\$26.27	\$32.59	\$32.50
1970 Budgeted Data		13,586			96.5		27.49		32.57
CFB Canary Rolls	5,961,884	7,579,427	27.1	97.0	95.4	27.66	27.81	33.62	33.50
1970 Budgeted Data		6,486			97.5		28.11		33.79
CFB Pink Rolls	3,523,161	4,106,163	16.5	96.7	94.8	27.93	27.71	33.60	33.50
1970 Budgeted Data		3,367			96.0		28.44		34.01
CFB Green Rolls	1,353,481	2,152,540	59.0	96.8	96.3	29.15	28.27	33.85	34.50
1970 Budgeted Data		1,656			97.0		28.68		34.12
CFB Goldenrod Rolls	1,147,773	1,522,888	32.7	96.0	96.4	29.68	28.73	33.85	34.50
1970 Budgeted Data		1,241			97.0		29.75		34.16
CFB Blue Rolls	1,607,781	1,755,024	9.2	97.0	95.6	29.22	29.00	33.85	34.50
1970 Budgeted Data		1,490			97.0		28.66		34.09
Total CFB Rolls	25,825,352	32,831,143	27.1	96.67	95.57	\$27.55	\$27.20	\$33.15	\$33.19
Light Weight CFB Sheets	2,944	11,916	304.8	---	---	---	---	---	---
1970 Budgeted Data		---			---		---		---
Light Weight CFB Rolls	218,078	489,111	124.3	84.87	90.27	\$44.19	\$38.19	\$47.46	\$53.03
1970 Budgeted Data		4,100			90.0		37.29		50.00
Total Light Weight CFB	221,022	501,027	126.77	84.87	90.27	\$44.19	\$38.19	\$47.46	\$53.03
Self Contained Sheets	23,121	162,070	601.07	82.57	88.37	\$36.51	\$32.60	\$39.11	\$43.17
1970 Budgeted Data		1,000			86.0		36.41		49.27
Self Contained Rolls	2,333,323	4,058,295	93.2	86.2	91.3	33.19	30.71	38.74	41.32
1970 Budgeted Data		6,199			93.5		32.39		42.94
Total Self Contained	2,356,444	4,670,365	98.27	86.17	90.77	\$33.22	\$31.07	\$38.75	\$41.67

KAL000040

THE APPLETON COATED PAPER COMPANY

1969 PROFITABILITY

NCR CLASSIFICATION

DE O.	1970 Budgeted Sales in M Lbs. GRADE DESCRIPTION	SALES IN POUNDS		PERCENT CHANGE	YIELD		CWT. NET MANUFACTURING COST		CWT. AVERAGE SELLING PRICE	
		1968	1969		1968	1969	1968	1969	1968	1969
0	CIS Ledger 35# (Lam.) Shts.	70,353	131,105	86.4%	63.7%	66.1%	\$29.55	\$27.62	\$30.59	\$31.05
	1970 Budgeted Data		154			94.0		28.51		32.34
	CIS Ledger 35# (Lam.) Rolls	5,091	30,606	501.2	--	--	--	--	--	--
	1970 Budgeted Data		--			--		--		--
1	CIS Ledger 35# Sheets	845,772	1,312,967	55.2	87.5	90.4	18.83	18.40	22.05	22.37
	1970 Budgeted Data		1,704			87.5		20.03		24.17
	CIS Ledger 35# Rolls	1,279,574	3,378,357	164.0	94.1	94.2	16.78	17.46	19.75	17.46
	1970 Budgeted Data		4,849			93.5		17.60		21.26
3	CIS Ledger CB 30# Shts.	448,670	562,561	25.4	90.2	91.7	22.35	22.02	29.02	29.82
	1970 Budgeted Data		744			91.5		23.50		30.79
	CIS Ledger CB 30# Rolls	280,218	479,642	71.2	93.9	93.3	21.97	22.36	27.35	28.00
	1970 Budgeted Data		605			95.0		23.79		29.88
4	C2S Ledger 34# Sheets	109,104	111,061	1.8	72.1	82.8	25.80	22.08	24.11	24.78
	1970 Budgeted Data		130			85.0		21.76		25.39
	C2S Ledger 34# Rolls	6,581	42,430	544.7	--	88.1	--	20.01	--	22.00
	1970 Budgeted Data		37			--		19.85		22.50
5	C2S Ledger 38# Sheets	1,025,019	1,558,575	52.1	80.9	86.4	21.53	20.44	24.23	24.49
	1970 Budgeted Data		2,370			87.3		21.56		25.84
	C2S Ledger 38# Rolls	47,790	496,713	939.4	86.8	90.0	18.71	20.19	21.49	22.00
	1970 Budgeted Data		609			91.5		18.96		22.86
	Total Ledger	4,118,172	8,104,020	96.8%	86.5%	90.0%	\$20.25	\$19.31	\$23.72	\$23.19
1	Tag Clay CIS 7 1/2 Pt. Shts.	1,219,964	1,678,153	37.6%	89.9%	89.5%	\$14.29	\$14.62	\$17.45	\$17.73
	1970 Budgeted Data		2,055			89.5		15.05		18.27
	Tag Clay CIS 7 1/2 Pt. Rolls	5,213,417	7,962,728	52.2	94.4	94.3	14.27	13.91	15.75	16.15
	1970 Budgeted Data		9,819			95.0		14.47		16.46
	Tag Clay CIS 10 Pt. Shts.	500,553	597,081	19.3	88.5	88.0	14.14	14.55	17.12	17.44
	1970 Budgeted Data		713			90.5		14.53		17.93
	Tag Clay CIS 10 Pt. Rolls	726,654	900,805	24.0	92.3	95.0	14.67	14.28	15.75	16.15
	1970 Budgeted Data		1,162			93.0		15.28		16.36
	Tag Clay CIS 13 Pt. Shts.	2,447	--	(100.0)	--	--	--	--	--	--
	1970 Budgeted Data		--			--		--		--
	Tag Clay CIS 13 Pt. Rolls	228,631	256,718	12.3	91.1	93.0	14.74	13.93	15.25	15.66
	1970 Budgeted Data		328			93.0		14.90		15.63
2	Tag Clay CIS Bleached Shts.	159,748	301,524	88.7	88.3	86.1	14.76	15.85	17.79	18.60
	1970 Budgeted Data		332			89.5		15.93		18.96
	Tag Clay CIS Bleached Rolls	2,475,708	2,932,074	18.4	93.3	93.5	13.28	14.02	16.15	16.97
	1970 Budgeted Data		3,382			93.5		14.18		17.55
3	Tag Emulsion CIS Rolls	18,711	68,032	263.6	89.2	91.1	19.56	19.82	19.84	20.11
	1970 Budgeted Data		104			90.5		17.70		20.24
4	Tag Clay C2S Sheets	13,217	1,134	(15.8)	85.2	77.5	16.29	18.59	18.69	19.16
	1970 Budgeted Data		--			--		--		--
	Tag Clay C2S Rolls	56,914	6,608	(88.4)	--	89.9	--	17.48	--	16.89
	1970 Budgeted Data		15			90.0		18.49		17.40
5	Tag Duplex CF Rolls	23,715	53,942	127.5	91.6	89.6	16.88	17.26	20.74	21.14
	1970 Budgeted Data		89			90.5		16.57		21.65
	Total Tag	10,639,379	14,669,591	37.9%	92.9%	93.2%	\$14.09	\$14.14	\$16.16	\$16.64

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THE APPLETON COATED PAPER COMPANY
1969 PROFITABILITY
NCR CLASSIFICATION

1970 Budgeted Sales In M Lbs.						CWT. NET		CWT. AVERAGE	
1.	GRADE DESCRIPTION	SALES IN POUNDS		PERCENT CHANGE	YIELD		MANUFACTURING COST	SELLING PRICE	
		1968	1969		1968	1969	1968	1968	1969
	CF Coated Barrier Rolls		6,905	100.0%	--%	88.3%	\$ --	\$ 24.85	\$40.75
	1970 Budgeted Data		--		--	--	--	--	--
	CB Coated Glassine Rolls		3,066	100.0	--	53.8	--	123.05	84.48
	1970 Budgeted Data		--		--	--	--	--	--
	20# CB Sheets	188,862	1,952,845	934.0	78.8	85.3	25.93	22.44	23.84
	1970 Budgeted Data		--		--	--	--	--	--
	20# CF Rolls	119,857	763,351	536.5	84.8	92.3	21.32	19.49	21.61
	1970 Budgeted Data		--		--	--	--	--	--
	CB Translucent Sheets	18,326	12,720	(30.6)	79.9	82.6	45.99	45.27	51.04
	1970 Budgeted Data		--		--	--	--	--	--
	CB Translucent Rolls	16,938	13,903	(17.9)	83.0	84.0	43.34	44.51	44.26
	1970 Budgeted Data		--		--	--	--	--	--
	CB Series 1000 Sheets	1,901	10,340	443.9	--	74.6	--	110.07	102.40
	1970 Budgeted Data		--		--	--	--	--	--
	CB Series 1000 Rolls	3,851	4,361	13.2	--	80.0	--	98.50	94.97
	1970 Budgeted Data		--		--	--	--	--	--
	Misc. NCR Grades Sheets	1,022	9,706	849.7	59.8	83.9	38.63	25.73	45.26
	1970 Budgeted Data		--		--	--	--	--	--
	Misc. NCR Grades Rolls	8,249	9,572	16.0	--	--	--	--	--
	1970 Budgeted Data		--		--	--	--	--	--
	15# CF Sheets	449,602	821,723	82.8	93.6	92.7	25.21	25.21	26.56
	1970 Budgeted Data		--		--	--	--	--	--
	15# CF Rolls	466,425	377,663	(19.0)	100.0	99.9	18.87	18.93	19.88
	1970 Budgeted Data		--		--	--	--	--	--
	Total Other NCR Grades	1,275,033	3,986,155	212.6%	88.5%	88.8%	\$22.89	\$22.79	\$23.56
	Total NCR	85,595,319	114,153,338	33.4%	93.4%	92.8%	\$25.36	\$25.36	\$30.81
					6.6				\$30.80

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THE APPLETON COATED PAPER COMPANY
1969 PROFITABILITY
COMMERCIAL PAPERS

1970 Budgeted Tonnage in M Pounds		SALES IN POUNDS		PERCENT CHANGE	YIELD		CWT. NET MANUFACTURING COST	1969	CWT. AVERAGE SELLING PRICE	
DE	GRADE DESCRIPTION	1968	1969		1968	1969			1968	1969
	<u>White Enamels</u>									
)	Masterfold Letterpress	52,345	23,829	(54.5)%	70.3%	73.8%	\$25.21	\$24.78	\$25.32	\$26.74
	1970 Budgeted Data		25			72.0		27.06		27.62
.	Masterfold Offset	62,815	3,780	(94.0)	74.5	--	27.72	--	24.86	--
	1970 Budgeted Data		--			--		--		--
!	Woodbine Folding	338,496	227,402	(32.8)	72.9	72.3	23.66	24.66	23.19	25.54
	1970 Budgeted Data		45			72.5		26.87		26.45
.	Empress Offset	182,966	205,062	12.1	72.9	76.9	24.07	23.49	24.18	25.13
	1970 Budgeted Data		25			75.0		25.39		25.94
)	C2S White High Finish	--	12,121	100.0	--	96.9	--	18.57	--	24.87
	1970 Budgeted Data		--			--		--		--
)	Polychrome Dull Coated Book	102,301	13,655	(86.7)	69.3	73.9	26.44	23.88	24.31	25.97
	1970 Budgeted Data		20			72.0		23.98		26.95
!	Dultra White Offset Book	5,242	--	(100.0)	--	--	--	--	--	--
	1970 Budgeted Data		--			--		--		--
;	Fluorodull Coated Book	40,784	10,968	(73.1)	73.7	60.4	26.63	31.29	27.20	28.89
	1970 Budgeted Data		10			72.0		28.05		29.96
)	C2S White Dull Coated Book	64,560	59,428	(7.9)	71.5	72.2	24.45	24.24	25.59	26.38
	1970 Budgeted Data		70			72.0		25.39		28.06
!	Empress & Woodbine - MBO	--	88,705	(100.0)	--	100.0	--	23.04	--	26.04
	1970 Budgeted Data		235			100.0		22.82		27.32
3	Appleton Embossed	28,719	--	100.0	100.0	--	25.26	--	26.17	--
	1970 Budgeted Data		--		--	--		--		--
	Total White Enamels	878,228	644,950	(26.6)%	72.5%	77.8	\$24.50	\$23.91	\$24.11	\$25.66
	<u>Colored Enamels</u>									
.	Woodbine Colored-Gloss	4,675,530	4,636,785	(.8)%	79.4%	77.0%	\$21.21	\$21.02	\$26.64	\$28.15
	1970 Budgeted Data		4,820			78.5		22.00		28.80
;	Web Offset Colored	5,886	16,133	174.1	85.8	87.0	20.38	18.55	26.15	25.90
	1970 Budgeted Data		15			86.5		20.58		26.64
)	C2S Colored-High Finish	73,038	39,643	(45.7)	80.9	73.4	22.46	23.84	26.24	27.40
	1970 Budgeted Data		16			78.0		25.27		28.70
.	Woodbine Duplex Colored	180,774	224,209	24.0	77.0	77.5	22.45	23.19	29.02	31.33
	1970 Budgeted Data		252			77.5		22.61		32.02
.	Woodbine Colored-Dull	228,948	205,573	(10.2)	73.7	69.4	23.54	23.56	26.88	28.70
	1970 Budgeted Data		215			76.0		23.71		29.46
)	C2S Colored Book-Dull	46,666	13,908	(70.2)	73.8	61.7	25.10	28.77	25.90	30.05
	1970 Budgeted Data		--			--		--		--
)	Dull Coated Duplex Book	--	17,308	100.0	--	81.3	--	22.35	--	31.13
	1970 Budgeted Data		--			--		--		--
	Total Colored Enamels	5,210,842	5,153,559	(1.1)%	79.1%	76.6%	\$21.40	\$21.26	\$26.74	\$28.30

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THE APPLETON COATED PAPER COMPANY
1969 PROFITABILITY
COMMERCIAL PAPERS

DE NO.	GRADE DESCRIPTION	SALES IN POUNDS		PERCENT CHANGE	YIELD		CWT. NET MANUFACTURING COST 1968	CWT. NET MANUFACTURING COST 1969	CWT. AVERAGE SELLING PRICE	
		1968	1969		1968	1969			1968	1969
	<u>Covers</u>									
30	Masterfold Coated	266,897	190,326	(28.7)%	82.7%	80.9%	\$18.90	\$19.17	\$24.63	\$25.66
	1970 Budgeted Data		210			83.0		20.66		
31	Woodbine Colored	336,584	363,993	8.1	80.3	83.5	19.51	20.39	27.43	28.57
	1970 Budgeted Data		357			83.0		21.53		29.29
35	Web Offset Coated	14,829	--	(100.0)	85.3	--	15.32	--	16.20	--
	1970 Budgeted Data		--			--		--		--
31	Fluorodull Coated	3,877	6,586	69.9	86.6	83.1	18.84	18.08	27.23	28.92
	1970 Budgeted Data		6			85.0		19.84		29.90
33	C2S Covers - Colors	22,113	68,996	212.0	78.5	85.8	20.19	19.68	24.79	27.02
	1970 Budgeted Data		30			84.0		19.88		27.58
34	C2S Covers - Duplex	--	18,696	100.0	--	81.9	--	17.90	--	35.81
	1970 Budgeted Data		30			82.0		19.36		36.45
36	Tourist Cover-Scott		1,813,313	(7.3)	--	87.0	--	15.63	--	17.28
	1970 Budgeted Data		2,000			87.3		16.73		17.25
36	Tourist Cover - Other	3,881,479*	1,782,970	(7.3)	87.3	87.0	15.57	15.63	17.59	18.35
	1970 Budgeted Data		1,728			87.3		16.73		19.03
37	C1S Covers - White	--	3,621	100.0	--	66.6	--	21.16	--	21.69
	1970 Budgeted Data		4			80.0		18.70		21.19
38	C2S Covers - White	849,917	1,297,272	52.6	86.1	87.2	15.32	14.63	17.77	18.08
	1970 Budgeted Data		875			87.0		16.14		18.35
39	C1S Covers - Colored	71,825	31,335	(56.4)	89.9	84.6	18.79	20.24	26.71	29.86
	1970 Budgeted Data		14			87.0		23.40		32.45
90	White C2S Pattern Book	270,937	22,433	(91.7)	89.1	84.2	14.16	15.75	17.70	18.51
	1970 Budgeted Data		1,000			85.0		17.00		19.61
91	Currency Cover	672,045	762,593	13.5	82.3	82.2	27.36	27.82	39.44	41.72
	1970 Budgeted Data		695			86.0		27.42		42.29
92	Menu & Premium	--	46,082	100.0	--	84.3	--	15.87	--	30.82
	1970 Budgeted Data		40			84.5		17.81		30.82
93	C2S Cover - White	--	66,321	100.0	--	85.0	--	16.87	--	23.14
	1970 Budgeted Data		80			85.0		17.60		24.56
94	Apco Hi Fold	368,829	439,593	19.2	81.8	85.7	17.40	16.90	24.12	25.11
	1970 Budgeted Data		565			84.5		18.21		25.79
95	Supertuff Cover	1,699,525	1,826,714	7.5	75.3	80.3	32.31	34.57	36.31	38.98
	1970 Budgeted Data		1,749			79.0		35.05		39.72
02	Empress Cover	355,942	228,795	(35.7)	84.9	85.6	17.11	17.29	23.98	25.64
	1970 Budgeted Data		225			85.3		17.78		26.49
	Total Covers	3,814,799	8,969,639	1.5%	83.3%	84.9%	\$20.31	\$20.77	\$24.52	\$25.65
	<u>Masking and Proofing</u>									
42	Apco Masking Paper	1,186,222	1,218,853	2.6%	74.8%	76.6%	\$24.13	\$24.38	\$29.64	\$30.96
	1970 Budgeted Data		1,422			76.0		25.14		32.00
55	Apco Plastic Coated Masking	4,702	--	(100.0)	--	--	--	--	--	--
	1970 Budgeted Data		--			--		--		--
85	Repro Proofing Paper	656,644	682,722	4.0	68.4	70.9%	37.55	35.78	52.72	54.12
	1970 Budgeted Data		697			72.0		35.39		54.82

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THE APPLETON COATED PAPER COMPANY
1969 PROFITABILITY
COMMERCIAL PAPERS

1970 Budgeted Sales in M Lbs.

GRADE DESCRIPTION	SALES IN POUNDS		PERCENT CHANGE	YIELD		CWT. NET MANUFACTURING COST		CWT. AVER. SELLING P.	
	1968	1969		1968	1969	1968	1969	1968	1969
Tag									
C1S Colored-Solvent	3,734	15,468	314.2%	32.4%	63.8%	\$75.74	\$43.29	\$56.29	\$
1970 Budgeted Data		40			72.0		24.71	--	
Eye Beam C2S Cover	2,675	7,642	185.7	--	82.9	--	21.56	--	
1970 Budgeted Data	--				--		--		
Calculator Board	28,862	215,918	648.1	81.1	84.1	17.86	17.63	23.87	
1970 Budgeted Data		115			83.0		15.56		
Woodbine Duplex Colors	31,832	59,670	87.5	74.3	83.5	22.36	19.64	28.	
1970 Budgeted Data		45			82.5		22.04		
Ticket-Colored Center	*464,773	359,946	(22.6)	83.2	83.8	19.64	21.18	23.	
1970 Budgeted Data		328			84.0		22.17		
Ticket-Bleach Tag	--	707,173	100.0	--	89.5	--	16.62	--	
1970 Budgeted Data		680			89.5		17.79		
Bristol Postcards-White	218,426	91,396	(58.2)	82.2	82.8	15.46	15.39	20.99	
1970 Budgeted Data		110			84.0		15.87		
Bristol Postcards-Colored	344,414	241,598	(29.9)	86.1	84.2	16.31	16.62	21.86	
1970 Budgeted Data		265			85.5		17.63		
Melochrome Dull Coated	222,743	201,737	(9.4)	84.0	85.9	18.61	18.54	27.00	
1970 Budgeted Data		197			85.5		19.66		
Index Bristol-Rag Content	--	2,172	100.0	--	77.2	--	59.78	--	
1970 Budgeted Data		--			--		--		
Appleton Tough Check	579,266	714,033	23.3	83.7	84.1	20.29	19.89	28.40	
1970 Budgeted Data		619			84.0		21.19		
Fluorescent C1S-Moderate	15,434	--	(100.0)	80.2	--	25.48	--	40.39	
Budgeted Data		--			--		--		
Fluorescent C1S-Full		2,447	100.0	--	69.9	--	39.72	--	
1970 Budgeted Data		--			--		--		
Total Bristols	1,912,159	2,619,200	37.0%	83.2%	85.4%	\$18.95	\$18.57	\$25.35	\$
Tag									
C2S CSU Tag	2,519,893	3,224,692	28.0	93.0%	93.2%	\$15.04	\$14.95	\$18.71	\$
1970 Budgeted Data		3,695			93.5		16.02		
C1S CSU Tag	13,635	8,697	(36.2)	90.7	91.3	17.54	17.17	19.46	
1970 Budgeted Data		2			91.0		17.33		
Rope Tag	30,496	25,129	(17.6)	88.8	91.1	49.82	40.89	52.35	
1970 Budgeted Data		12			90.0		53.68		
C2S Fluorotag	690,025	68,703	(.3)	89.3	89.2	29.57	28.25	43.82	
1970 Budgeted Data		30			89.3		29.76		
C1S Fluorotag	48,963	20,800	(57.5)	84.0	84.9	26.72	28.78	41.39	
1970 Budgeted Data		15			84.5		29.93		
Misc. Tags	68,407	76,791	12.5	87.6	89.5	17.19	15.14	20.83	
1970 Budgeted Data		34			89.0		16.47		
Total Tag	2,750,419	3,424,812	24.5%	92.5%	93.0%	\$16.16	\$15.43	\$20.33	

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THE APPLETON COATED PAPER COMPANY
1969 PROFITABILITY
COMMERCIAL PAPERS

1970 Budgeted Sales in M Pounds

GRADE DESCRIPTION	SALES IN POUNDS		PERCENT CHANGE	YIELD		CWT. NET MANUFACTURING COST	CWT. AVERAGE SELLING PRICE	1968	1969
	1968	1969		1968	1969	1968	1969		
<u>Litho and Label</u>									
CLS White High Finish	19,134	--	(100.0)%	79.87	--	\$22.20	--	\$23.77	--
1970 Budgeted Data		--			--				
CLS White Dull Finish	12,216	9,451	(22.6)	90.6	79.97	25.02	28.98	26.77	30.48
1970 Budgeted Data		10			86.0		29.87		31.46
Appleton Colored Label Plate	872,555	1,009,512	15.7	83.7	83.8	23.19	21.89	29.78	31.08
1970 Budgeted Data		900			83.8		21.71		31.90
Appleton Metallic Label Plate	241,430	197,682	(18.1)	77.5	70.7	43.13	46.25	42.10	49.73
1970 Budgeted Data		191			74.0		45.29		50.76
Permakolor CLS Litho Label	228,879	247,396	8.1	88.0	85.1	21.02	21.17	27.58	28.56
1970 Budgeted Data		180			87.5		21.04		29.65
Showcard Lining	624,778	672,000	7.6	84.8	82.5	24.83	24.16	30.92	29.64
1970 Budgeted Data		624			83.8		23.16		30.26
Fluorescent Label	25,883	22,137	(14.5)	73.4	75.7	64.28	60.63	66.01	66.05
1970 Budgeted Data		33			75.0		62.60		66.00
CLS Litho-Colors-Free Sheet	279,433	97,700	(65.0)	86.4	86.8	22.89	25.27	28.87	33.64
1970 Budgeted Data		84			86.6		27.53		34.30
CLS Litho-Colors-Groundwood	41,100	37,152	(9.6)	82.3	84.2	26.66	21.45	23.84	24.20
1970 Budgeted Data		--			--		--		--
Total Litho and Label	2,345,408	2,293,030	2.2%	83.8%	82.3%	\$26.02	\$25.09	\$31.37	\$32.25
<u>Custom Coating</u>									
Ident-A-Band	29,576	43,439	46.9%	88.5%	92.5%	\$36.81	\$35.72	\$43.56	\$45.08
1970 Budgeted Data		40			89.5		41.79		46.00
Prentice Gloss	984,976	1,037,748	5.4	85.3	87.3	17.14	16.81	19.95	20.49
1970 Budgeted Data		1,000			87.0		18.00		20.77
Prentice Dull	274,137	484,755	76.8	80.6	84.9	18.41	16.72	20.85	21.71
1970 Budgeted Data		610			84.0		17.34		22.10
Lithofect Gloss	1,847,885	2,713,891	46.9	84.8	85.5	17.27	16.55	19.55	20.08
1970 Budgeted Data		2,600			85.2		18.39		20.31
Lithofect Dull	768,927	950,144	23.6	78.6	85.1	18.79	16.68	20.23	21.08
1970 Budgeted Data		920			88.0		16.79		21.46
Cumberland Dull	--	54,940	100.0	--	86.9	--	15.22	--	22.90
1970 Budgeted Data		--			--		--		--
Shorewood Gloss	--	3,422	100.0	--	83.1	--	16.82	--	18.66
1970 Budgeted Data		400			87.0		17.70		18.74
Fontana Suede	--	3,422	100.0	--	86.7	--	15.15	--	19.42
1970 Budgeted Data		100			87.0		16.87		18.74
Texoprint	1,335,942	653,955	(51.0)	82.4	80.0	14.28	15.40	17.29	17.89
1970 Budgeted Data		600			81.0		16.46		18.81
Chalk Markable Texoprint	16,264	23,921	47.1	53.3	84.2	49.30	32.67	27.82	33.21
1970 Budgeted Data		--			--		--		--
Tensalex-White	378,163	633,046	67.4	89.0	88.9	12.39	12.83	15.20	16.49
1970 Budgeted Data		850			89.0		14.78		17.37
Tensalex-Colors and Duplex	24,688	22,952	(7.0)	85.8	86.8	21.06	24.49	31.61	31.60
1970 Budgeted Data		--			--		--		--
Total Custom Coating	5,660,108	6,625,635	17.1%	83.2%	85.4%	\$16.81	\$16.43	\$19.27	\$20.22

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THE APPLETON COATED PAPER COMPANY
1969 PROFITABILITY
COMMERCIAL PAPERS

1970 Budgeted Sales in M Pounds				CWT. NET		CWT. AVERAGE			
GRADE DESCRIPTION	SALES IN POUNDS		PERCENT CHANGE	YIELD		MANUFACTURING COST	SELLING PRICE		
	1968	1969		1968	1969	1968	1969		
<u>Greeting Card</u>									
Greeting Card - Solvent	34,367	63,572	85.0%	74.7%	70.7%	\$42.24	\$47.68	\$39.17	\$47.91
1970 Budgeted Data		50			74.0		39.92		47.91
C2S Standard White-Bristol Wt.	329,862	--	(100.0)	79.7	--	15.31	--	17.86	--
1970 Budgeted Data		5			80.0		16.50		17.99
C2S Deluxe White-Bristol Wt.	32,179	144,307	348.5	83.4	83.4	18.39	17.53	25.35	23.94
1970 Budgeted Data		123			80.5		19.12		25.91
CLS Blue Lightweight	96,440	40,368	(58.1)	86.3	85.8	29.38	31.94	37.91	39.06
1970 Budgeted Data		80			86.0		31.42		39.04
CLS Red Lightweight	76,848	110,204	43.4	80.6	69.1	38.86	52.69	45.02	46.44
1970 Budgeted Data		70			78.0		44.33		49.27
CLS Evergreen Lightweight	62,783	--	(100.0)	78.8	--	35.71	--	54.03	--
1970 Budgeted Data		--			--		--		--
CLS Wedgewood Blue Lightweight	49,137	36,701	(25.3)	88.6	86.8	28.40	30.91	36.86	39.07
1970 Budgeted Data		50			87.5		24.11		39.05
CLS Colors - Bristol Weight	1,812	38,613	2031.0	54.3	79.2	30.24	26.63	27.8	33.32
1970 Budgeted Data		30			80.0		24.66		34.73
C2S Lightweight	4,904	--	(100.0)	87.7	--	35.52	--	42.95	--
1970 Budgeted Data		--			--		--		--
Total Greeting Card	688,522	433,765	(37.0)%	81.8%	77.6%	\$24.38	\$33.66	\$29.96	\$37.01
<u>Gift Wrap</u>									
CLS Gift Wrap - Except Kraft Bsl	136,458	111,563	(18.2)%	86.5%	87.6%	\$32.40	\$22.51	\$38.11	\$25.73
1970 Budgeted Data		145			87.0		22.43		28.11
CLS Fluorescent Gift Wrap	1,256	--	(100.0)	28.3%	--	35.00	--	53.78	--
1970 Budgeted Data		--			--		--		--
CLS Gift Wrap-Kraft Base	73,388	28,726	(60.9)	91.1%	87.8	22.83	24.96	32.5	34.99
1970 Budgeted Data		30			89.5		24.89		33.09
Total Gift Wrap	211,102	140,289	(33.5)%	88.1%	87.6%	\$29.10	\$23.00	\$36.27	\$27.57
<u>Pressure Sensitive Papers</u>									
Tamperproof Label	45,122	--	(100.0)%	86.8%	--	\$16.57	--	\$22.65	--
1970 Budgeted Data		--			--		--		--
Fluorescent Label	432,741	348,083	(19.6)	87.4	87.6%	40.75	\$37.32	55.21	\$56.86
1970 Budgeted Data		385			87.5		42.96		57.28
Barrier Coated NCR-KPCF	682	2,634	286.2	--	--	--	--	--	--
1970 Budgeted Data		--			--		--		--
Litho Label	114,184	362,244	(95.5)	91.0	87.8	22.02	21.53	25.91	26.56
1970 Budgeted Data		250			90.0		21.64		27.08
Barrier Coated Litho	10,350	5,141	(1.0)	68.7	85.7	33.35	26.93	30.41	31.36
1970 Budgeted Data		5			85.5		27.36		33.30
Special Litho	5,673	10,246	93.6	89.6	88.9	23.32	21.75	27.07	27.55
1970 Budgeted Data		10			91.0		22.08		28.52
Duplex Label	9,941	10,983	100.0	70.5	79.6	35.78	31.08	30.71	32.65
1970 Budgeted Data		5			76.5		37.26		34.61
Total Pressure Sensitive	618,693	739,331	19.5%	87.5%	87.6%	\$35.16	\$29.35	\$46.35	\$41.34

KAL000047

THE APPLETON COATED PAPER COMPANY
1969 PROFITABILITY
COMMERCIAL PAPERS

1970 Budgeted Sales in M Lbs.

GRADE DESCRIPTION	SALES IN POUNDS		PERCENT CHANGE	YIELD		CWT. NET MANUFACTURING COST		CWT. AVERAGE SELLING PRICE	
	1968	1969		1968	1969	1968	1969	1968	1969
<u>Offset Masters</u>									
System Dual Purpose .	318,825	277,571	(12.9)%	72.8%	72.7%	\$37.82	\$37.88	\$41.10	\$47.57
1970 Budgeted Data		160			78.0		35.75		51.32
Short Dual Purpose	79,824	13,597	(83.0)	74.7	78.2	36.13	34.75	45.66	47.33
1970 Budgeted Data		--			--		--		--
Short Direct Image	268,195	619,634	131.0	75.1	66.6	31.69	50.19	33.50	44.97
1970 Budgeted Data		--			--		--		--
Medium Dual Purpose	22,465	--	(100.0)	78.6	--	31.62	--	41.20	--
1970 Budgeted Data		--			--		--		--
Medium Direct	144,063	209,720	45.6	71.2	69.7	38.55	40.74	36.18	41.75
1970 Budgeted Data		--			--		--		--
Litho Sketch	4,413	20,961	375.0	65.7	72.9	76.71	56.38	65.60	93.34
1970 Budgeted Data		--			--		--		--
Long Run	5,719	--	(100.0)	--	--	--	--	--	--
1970 Budgeted Data		--			--		--		--
Systems Type 3	8,392	407,928	4760.9	61.1	73.7	44.19	39.02	47.00	48.56
1970 Budgeted Data		726			75.0		36.71		49.30
Short Type 3	34,131	813,865	2284.5	71.3	75.3	35.85	37.47	45.55	50.09
1970 Budgeted Data		1,333			78.0		35.20		49.95
Medium Type 3	73,103	562,070	668.9	76.3	76.3	30.37	34.00	39.25	45.70
1970 Budgeted Data		946			79.0		33.25		46.12
Offset Plates	1,122,215	*							
Total Offset Masters	2,081,345	2,925,346	40.6%	73.1%	72.5%	\$35.32	\$39.88	\$38.56	\$47.10
<u>Protective Papers</u>									
PVDC Label	1,083	--	(100.0)%	60.3%	--	\$71.30	\$ --	\$45.30	\$ --
1970 Budgeted Data		--			--		--		--
Reflect-O-Ray	266,254	326,048	22.5	91.4	94.2	22.02	\$21.31	27.70	29.09
1970 Budgeted Data		225			93.0		23.03		30.23
Mead Seal Coat	337,340	289,023	(14.3)	88.2	87.6	19.88	21.79	27.37	28.92
1970 Budgeted Data		300			89.0		22.97		21.05
Total Offset Masters	604,677	615,071	1.7%	89.6%	91.3%	\$20.93	\$21.52	\$27.55	\$29.02
<u>Release Papers</u>									
Clay Coated Base	(18,284)	--	(100.0)%	94.3%	--	\$14.88	--	\$19.09	\$ --
1970 Budgeted Data		--			--		--		--
Release Coated NCR - CB	--	2,432	100.0	--	--	--	--	--	--
1970 Budgeted Data		--			--		--		--
Apco #001	270,888	159,825	(59.0)	86.8	86.9	36.39	41.40	40.07	41.32
1970 Budgeted Data		--			--		--		--
Apco #201	377,599	667,916	76.9	87.7	87.1	43.59	47.80	44.53	45.62
1970 Budgeted Data		671			87.5		47.97		47.58
Apco Lithofect	51,429	96,155	87.0	83.1	87.1	34.77	34.32	38.13	39.30
1970 Budgeted Data		90			85.0		35.40		41.28
Impregnated Board	58,882	--	(100.0)	88.5	--	6.44	--	3.78	--
1970 Budgeted Data		--			--		--		--
ClS Release Papers	560,299	*							
	1,200,812	2,220,220	72.9 91%	87.2%	87.1%	\$37.57	\$45.09	\$39.37	\$44.11

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THE APPLETON COATED PAPER COMPANY
1969 PROFITABILITY
COMMERCIAL PAPERS

1969 Budgeted Sales in M Pounds		SALES IN POUNDS		PERCENT CHANGE	YIELD		CWT. NET MANUFACTURING COST		CWT. AVERAGE SELLING PRICE	
E	GRADE DESCRIPTION	1968	1969		1968	1969	1968	1969	1968	1969
	<u>Saturated Labels</u>									
	Dull Finish	225,944	229,631	1.6%	87.7%	90.9%	\$21.18	\$20.36	\$26.99	\$27.53
	1970 Budgeted Data		250			89.0		22.12		27.93
	Impregnated Label	--	4,108	100.0	--	74.8	--	74.59	--	94.72
	1970 Budgeted Data		--			--		--		--
	Saturated Label	336,759	246,551	(26.8)	83.4	85.0	62.81	59.88	65.75	65.77
	1970 Budgeted Data		250			85.0		63.40		71.32
	Special Saturated	--	10,220	100.0	--	84.5	--	54.45	--	72.45
	1970 Budgeted Data		10			85.0		52.27		75.96
	Flex Stik B	11,113	41,392	272.5	90.7	93.6	52.74	51.24	64.45	70.58
	1970 Budgeted Data		25			93.5		57.07		69.16
	Machine Saturated Dull	45,403	25,000	(44.9)	82.9	85.4	45.35	44.92	59.90	60.68
	1970 Budgeted Data		40			87.0		44.81		60.87
	Flex Stik W	--	4,946	100.0	--	88.7	--	22.18	--	40.85
	1970 Budgeted Data		--			--		--		--
	Special Tamperproof	15,561	10,813	(30.5)	67.5	--	28.61	--	31.11	--
	1970 Budgeted Data		10			80.0		25.03		31.88
	Total Saturated Labels	634,780	572,661	(9.8)%	84.6%	88.2%	\$45.74	\$42.57	\$50.68	\$51.23
	<u>Miscellaneous Technical Papers</u>									
	Gumming Litho	356,346	257,116	(27.8)%	87.6%	84.7%	\$24.74	\$24.72	\$26.91	\$27.04
	1970 Budgeted Data		210			86.0		24.38		--
	Plain Drawing Board Cover	62,173	--	(100.0)	81.7	--	42.58	--	56.75	--
	1970 Budgeted Data		20			82.0		49.50		55.62
	Printed Drawing Board Cover	18,086	--	(100.0)	79.0	--	57.65	--	64.28	--
	1970 Budgeted Data		--			--		--		--
	Battery Liner	712,371	861,654	21.0	84.1	82.8	34.23	35.90	41.65	43.15
	1970 Budgeted Data		780			83.5		37.08		45.01
	Vacuum Metalizing	2,874	16,598	477.5	--	67.5	--	51.11	--	47.35
	1970 Budgeted Data		100			87.0		37.77		47.33
	Ascot	16,435	35,302	114.8	63.1	87.2	164.76	88.21	152.51	117.37
	1970 Budgeted Data		300			83.5		103.79		120.79
	Translucent Chart Paper	24,192	378	(98.4)	86.6	--	31.57	--	35.72	--
	1970 Budgeted Data		40			87.0		25.30		35.04
	Film Casting Paper	8,524	*							
	Paper Fabrics	3,583	*							
	Silicone Coated Tube Liner	1,282	*							
	Electrophotographic Copy Paper	69,975	*							
	Sp. Electrophotographic Copy Pa.	19,993	*							
	Magnetic Recorder	28,028	*							
	Itek	162,109	*							
	Dymo Thermal Transfer	1,284	*							
	Uncoated Tyvek	1,953	*							
		1,489,208	1,171,048	(21.4)%	84.5%	83.2%	\$33.88	\$34.48	\$39.72	\$40.81

* Transferred to New Business Development

KAL000049

THE APPLETON COATED PAPER COMPANY
1969 PROFITABILITY
COMMERCIAL PAPERS

1970 Budgeted Sales in M Lbs.

GRADE DESCRIPTION	SALES IN POUNDS		PERCENT CHANGE	YIELD		CWT. NET MANUFACTURING COST		CWT. AVERAGE SELLING PRICE	
	1968	1969		1968	1969	1968	1969	1968	1969
Miscellaneous P&D Papers									
Chart Paper	--	8,976	100.0%	-- %	73.7%	\$--	\$39.83	\$--	\$40.05
1970 Budgeted Data		--			--		--		--
Wallpaper	86,767	78,832	(9.1).	80.1	83.2	24.83	23.12	29.24	31.47
1970 Budgeted Data		65			83.0		25.43		32.64
Print Chip Stock	1,921	--	(100.0)	72.6	--	34.05	--	28.91	--
1970 Budgeted Data		--			--		--		--
Appleton Liquid Master	59,566	--	(100.0)	83.4	--	26.55	--	36.17	--
1970 Budgeted Data		--			--		--		--
Envelope Paper	45,927	30,920	(32.7).	86.7	91.8	20.19	19.04	23.63	23.58
1970 Budgeted Data	47				88.5		20.76		28.15
C2S Kraft-White	104,030	80,172	(22.9).	79.9	77.7	21.17	21.41	25.35	26.33
1970 Budgeted Data		100			78.0		27.47		27.06
C2S Kraft-Colors	27,062	16,100	(40.5)	80.8	94.5	24.93	18.59	26.40	27.84
1970 Budgeted Data		--			86.5		--		--
C1S Kraft-White	31,156	23,774	(23.7).	88.3	88.7	21.63	21.72	24.94	25.94
1970 Budgeted Data		18			88.5		24.09		26.56
All Other Paper	5,745	--	(100.0)	--	--	--	--	--	--
1970 Budgeted Data		--			--		--		--
Special Converting-Book Cover	1,388	--	(100.0)	--	--	--	--	--	--
1970 Budgeted Data		--			--		--		--
Special Converting-Cardboard	15,138	--	(100.0)	--	--	--	--	--	--
1970 Budgeted Data		--			--		--		--
Seecial Converting-Spec. Basis	61,606	156,327	153.8.	91.6	96.8	4.23	1.66	7.27	5.21
1970 Budgeted Data		--			--		--		--
Total Miscellaneous P&D	440,306	395,101	(10.3)%	83.6%	88.3%	\$20.46	\$14.29	\$24.93	\$19.37
	37,490,977	39,552,549	5.5%	82.2%	82.8%	\$23.15	\$22.96	\$27.70	\$28.73

KAL000050

DISTRIBUTION: T. Busch P. Graf
D. Russler P. Rosenow
L. Swaim F. Strelow
P. Menning D. Schumaker
C. Campshure L. Casey
J. Plach

PREPARED BY

KAL000051

DISTRIBUTION: T. Busch P. Graf -
D. Russler P. ~~Rosenow~~
L. Swaim F. Strelow
P. Menning D. Schumaker
C. Campshure L. Casey
J. Plach

PREPARED BY

KAL000052

APCO

1968 Mfg. Variations Budget

- 1967 Basis:

Grade Allocation

				N.P.	Com.	P.D.	Tech.	
Purchase Price	135000			103000	32000	20000	12000	1
Working Wage	240000			140000	100000	100000	-	2
					240000			3
Rate + Premium by	150000			27000	83000	20000	23000	4
				52300				5
New Production & T	125000			78000	97000	70000	27000	6
Rev. Inc. - Start-up	125000			64550	-			7
				125000				8
Value (N.P.)	25000			83000	(58000)	(40000)	(18000)	9
								10
Performance	300000			133000	127000	117000	50000	11
				113400				12
Order Charge	(200000)			(200000)	-			13
				(200000)				14
Power	140000			110000	50000	34000	16000	15
				88400				16
Inventory Adj.	153000			107000	46000	31000	15000	17
				90500				18
Grade Sales	(180000)			(118000)	(62000)	(62000)	-	19
863				(222000)				20
Secured	(230000)			-	(230000)	(230000)	-	21
				(1700)				22
Expected Rate + Sec.	475000			134000	341000	341000	-	23
				211000				24
	1328000			764000	566000	441000	125000	25
								26
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TECHNICAL STATEMENT OF EARNINGS

DESCRIPTION	TOTAL	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
NET SALES (Exhibit 3)	3737000	309500	304700	298900	301800	323200	466400	233400	387000	244800	314500	352700	309800
of grand total		8.6	12.3	8.4	8.6	10.3							
COST OF SALES													
at standard	2985000	2446000	2446000	239000	239000	260000	337000	190000	267000	198000	250000	281000	246000
of net sales		78.8	80.1	80.0	79.3	80.4							
MANUFACTURING VARIATIONS:													
NOTE: Figures in () reduce C of S													
Purchase Price & Trim Penalty	12000	1000	1000	1000	1200	1000	1200	800	1100	800	1000	1100	900
Coating Usage	—	—	—	—	—	—	—	—	—	—	—	—	—
Rate & Premium Pay Variance	23000	700	700	700	700	700	900	600	3900	2500	3000	4100	3500
Non-Productive Downtime	27000	2200	2200	2200	2200	2300	3000	1700	2400	1800	2300	2500	2200
Under (Over) Absorbed Burden	(18000)	(8000)	(2000)	(8000)	(8000)	(8000)	(2000)	26000	(8000)	5000	(15000)	5000	5000
Performance (L. & H.)	58000	4100	4100	4000	4000	4400	5500	3200	4500	3300	4200	4700	4000
Order Closure (M.I. & P.)	—	—	—	—	—	—	—	—	—	—	—	—	—
Re-work (M.I. & P.)	16000	1300	1300	1300	1300	1400	1800	1000	1400	1100	1300	1500	1300
Inventory Adjustment (M.I. & P.)	15000	1200	1200	1200	1200	1300	1700	1000	1300	1000	1200	1400	1300
Broke Sales	—	—	—	—	—	—	—	—	—	—	—	—	—
Second Sales	—	—	—	—	—	—	—	—	—	—	—	—	—
Expected Roke & Sec. Recovery	—	—	—	—	—	—	—	—	—	—	—	—	—
Recovery Outside Source	—	—	—	—	—	—	—	—	—	—	—	—	—
TOTAL MANUFACTURING VARIATION	125000	2500	8500	2400	2400	3100	12200	34300	6600	15900	(1400)	20300	18200
% of net sales		.8	2.8	.8	.8	1.0							
TOTAL COST OF SALES	3110000	246500	252500	241400	241400	263100	339200	224000	273600	213900	248600	301300	264200
% of net sales		79.6	82.9	80.8	80.0	81.4							
GROSS EARNINGS	627000	63000	52200	57500	60400	60100	67400	9100	63400	31000	65900	51400	45800
% of net sales		20.4	17.1	19.2	20.0	18.6							
DEPARTMENTAL EARNINGS													
Operations:													
Receiving & Shipping	38176	3181	3181	3181	3182	3182	3185	3131	3192	3192	3192	3192	3185
% of net sales		1.1	1.0	1.1	1.1	1.0							
Administrative	9391	7438	7683	8532	7898	7668	7921	7582	7439	8103	7631	7731	8761
% of net sales		2.4	2.5	2.9	2.5	2.4							
Technical	332146	25961	28198	29160	28178	28388	28483	28077	27211	27316	27263	27226	27585
% of net sales		8.4	9.3	9.4	9.3	8.8							
Marketing	257978	20479	21421	21162	21144	21192	21306	21239	21336	21819	22500	22648	21575
% of net sales		6.6	7.0	7.1	7.1	6.6							
Finance	75195	5716	7537	6313	5672	5724	4570	6074	6151	6440	5765	6163	6851
% of net sales		1.8	2.5	2.1	1.9	1.8							
Industrial Relations	—	—	—	—	—	—	—	—	—	—	—	—	—

1968 BUDGET

STATEMENT OF EARNINGS

Exhibit 9-1

Page 1 of 2

DESCRIPTION	TOTAL	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
NET SALES (Exhibit 3)													
% of Grand total	8134000	694200	679100	746100	675100	770500	745200	605000	642900	636000	670300	679900	589300
COST OF SALES													
At Standard	6270000	534000	523000	572000	520000	595000	575000	467000	495000	489000	527000	521000	485000
% of net sales		77.2	77.0	76.7	77.0	77.2							
MANUFACTURING VARIATIONS:													
NOTE: Figures in () reduce C of S													
Purchase Price & Trim Penalty	20000	1700	1700	1800	1700	1900	1800	1500	1600	1600	1700	1600	1400
Coating Usage	100000	8500	8300	9100	8300	9500	9200	7400	7900	7800	8300	8200	7400
Rate & Premium Pay Variance	6000	1900	1900	2100	1900	2200	2100	1600	9200	9200	9700	9700	8500
Non-productive Downtime	70000	6000	5800	6400	5800	6700	6400	5200	5500	5500	5800	5800	5100
Under (Over) Absorbed Burden	(46000)	(11000)	(3000)	(11000)	(11000)	(11000)	(3000)	7500	(10000)	4000	(17000)	4000	(4000)
Performance (L. & H.)	117000	9900	9700	10600	9700	11100	10800	8700	9200	9100	9700	9700	8800
Order Closure (M.I. & F.)	—	—	—	—	—	—	—	—	—	—	—	—	—
Rework (M.I. & F.)	34000	2900	2800	3100	2800	3200	3100	2500	2700	2700	2800	2800	2400
Inventory Adjustment (M.I. & F.)	31000	2600	2600	2800	2600	2900	2800	2300	2400	2400	2600	2600	2500
Broke Sales	(43000)	(5200)	(5200)	(5600)	(5200)	(5800)	(5800)	(4600)	(4800)	(4800)	(5200)	(5200)	(4600)
Second Sales	(230000)	(19600)	(19100)	(20900)	(19600)	(21900)	(21200)	(17000)	(18200)	(17900)	(19100)	(19100)	(16400)
Expected broke & Sec. Recovery	341000	29000	28300	31000	28300	32400	31400	25200	26900	26600	28300	28300	25300
Recovery Outside Source	—	—	—	—	—	—	—	—	—	—	—	—	—
TOTAL MANUFACTURING VARIATIONS	441000	26700	33800	29400	25300	31200	37100	57800	32400	42300	27600	48500	44400
% of net sales		3.8	5.0	3.9	3.8	4.1							
TOTAL COST OF SALES:	6711000	560700	556800	601400	545300	626200	612700	524800	527400	535200	554600	569500	533400
% of net sales		81.0	82.0	80.6	80.8	81.3							
GROSS EARNINGS	1423000	131900	122300	144700	129800	144300	132500	80200	115500	100800	120700	110400	89900
% of net sales		19.0	18.0	19.4	19.2	18.7							
DEPARTMENTAL EXPENSES:													
Operations:													
Receiving & Shipping	153456	12806	12803	12803	12805	12806	12821	12611	12845	12849	12850	12846	12811
% of net sales		1.8	1.9	1.7	1.9	1.7							
Administrative	231917	18125	18637	21773	18010	18628	19668	18551	18281	20706	18419	18948	21915
% of net sales		2.6	2.7	2.9	2.7	2.8							
Technical	66429	51912	5640	5632	5636	5678	52961	5215	5444	5463	5443	5445	5578
% of net sales		.7	.8	.8	.9	.7							
Marketing	591345	40947	42030	42149	41778	40966	41932	41978	40972	43120	41823	41341	45300
% of net sales		5.9	6.2	5.6	6.2	5.3							
Finance	218867	16967	26981	18774	16911	17181	19788	16579	16489	17663	16131	16489	18614
% of net sales		2.4	4.0	2.5	2.5	2.2							
Industrial Relations	—	—	—	—	—	—	—	—	—	—	—	—	—
% of net sales		—	—	—	—	—							

KAL000055

COMMERCIAL

STATEMENT OF EARNINGS

DESCRIPTION	TOTAL	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
NET SALES (Exhibit 3)	11,871,000												
% of Grand total													
COST OF SALES													
At Standard	9,355,000												
% of net sales													
MANUFACTURING VARIATIONS:													
NOTES: Figures in () reduce C of S													
Purchase Price & Trim Penalty	35,000												
Coating Usage	100,000												
Rate & Premium Pay Variance	85,000												
Non-Productive Downtime	97,000												
Under (Over) absorbed Burden	(58,000)												
Performance (L. & S.)	167,000												
Order Closure (V.I. & S.)													
Rework (V.I. & S.)	50,000												
Inventory Adjustment (V.I. & S.)	46,000												
Broke Sales	(62,000)												
Second sales	(230,000)												
Expected broke & Sec. Recover	341,000												
Recovery Outside Source													
TOTAL MANUFACTURING VARIATIONS	566,000												
% of net sales													
TOTAL COST OF SALES	9,821,000												
% of net sales													
GROSS EARNINGS	2,050,000												
% of net sales													
DEPARTMENT EXPENSES													
Operations:													
Receiving & Shipping	191,832												
% of net sales													
Administrative	325,828												
% of net sales													
Technical	393,895												
% of net sales													
Marketing	753,823												
% of net sales													
Finance	286,967												
% of net sales													
Industrial Relations													

1968 BUDGET

NCR

STATEMENT OF EARNINGS

DESCRIPTION	TOTAL	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
<i>NCR</i>													
NET SALES (Exhibit 3)	25222000	2166300	1964000	2119500	2157300	2051700	2120500	1453800	2125800	2063400	2339400	2274900	2233000
% of Grand total		68.3	66.7	67.0	68.8	65.2							
COST OF SALES													
At Standard	20500000	1761000	1597000	1722000	1753000	1668000	1724000	1182000	1876000	1671000	1918000	1848000	1814000
% of net sales		81.3	81.3	81.2	81.3	81.3							
MANUFACTURING VARIATIONS:													
CTB: Figures in () Reduce C of S													
Purchase Price & Trim Penalty	103000	8900	8000	8700	8900	8300	8700	4000	9300	8400	9600	9200	9000
Coating Usage	140000	12000	11000	11800	12000	11300	11800	8100	12600	11500	13200	12600	12100
Rate & Premium Pay Variance	67000	2500	1900	2000	1900	1900	1900	1900	10700	10700	10700	10700	10700
Non-Productive Counttime	78000	6800	6100	6600	6700	6300	6600	4500	7000	6400	7300	7000	6700
Under (Over) absorbed Burden	135200	21000	21000	21000	21000	21000	21000	21000	21000	21000	21000	21000	21000
Performance (L. & B.)	133000	11400	10400	11200	11200	10800	11300	7700	12000	10900	12500	12000	11500
Order Closure (M.L. & B.)	(200000)	(17200)	(15600)	(16800)	(17200)	(16200)	(16800)	(11600)	(18000)	(16400)	(18800)	(18000)	(17400)
Rework (M.L. & B.)	100000	9500	8600	9200	9500	8900	9200	6400	9900	9000	10300	9900	9600
Inventory Adjustment (M.L. & B.)	107000	9200	8300	9000	9200	8700	9000	6200	9600	8800	10100	9600	9300
Broke Sales	(118000)	(10100)	(9200)	(9900)	(10100)	(9600)	(9900)	(6800)	(10700)	(9700)	(11100)	(10600)	(10300)
Second Sales													
Expected broke & Sec. Recovery	134000	11500	10500	11300	11500	10900	11300	7800	12200	11000	12600	12100	11300
Recovery Outside Source													
TOTAL MANUFACTURING VARIATION	762000	65000	68000	74100	64900	62300	70000	64200	57600	64600	49400	68500	66500
% of net sales		3.0	3.4	3.5	3.0	3.0	3.3	4.4	2.7	3.1	2.1	3.0	2.9
TOTAL COST OF SALES	21262000	1826000	1665000	1786100	1817900	1730300	1794000	1246200	1933600	1735600	1967400	1916500	1880500
% of net sales		84.3	84.3	84.3	84.3	84.3							
GROSS EARNINGS	3960000	340300	299000	333400	339500	321600	326500	206600	258200	322400	372200	358400	352500
% of net sales		15.7	15.7	15.7	15.7	15.7							
EXPENSES EXCEPT OPERATIONS:													
Operations:													
Receiving & Shipping	382131	31847	31841	31841	31845	31848	31885	31382	31940	31950	31952	31942	31958
% of net sales		1.5	1.6	1.5	1.5	1.5							
Administrative	329560	25529	25868	31804	25395	25872	27815	26410	25979	30987	26376	26988	30517
% of net sales		1.2	1.3	1.5	1.2	1.3							
Technical	112418	8786	9544	9531	9537	9608	9640	2503	9209	9245	9261	9215	9339
% of net sales		.4	.5	.4	.4	.5							
Marketing	27623	2519	2440	2398	2315	2253	2217	2204	2240	2244	2342	2273	2231
% of net sales		.1	.1	.1	.1	.1							
Finance	153674	13201	17166	13358	12053	12473	12952	11781	11820	12526	11569	11828	13297
% of net sales		.6	.9	.6	.6	.6							
Industrial Relations													
% of net sales													

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1968 BUDGET

COST OF SALES STATEMENT

DESCRIPTION	TOTAL	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
STANDARD COST OF SALES:													
NCR Grades (Exhibit 8)	20560000	1761000	1587000	1732000	1753000	1668000	1724000	1182000	1856000	1671000	1918000	1848000	1814000
% of gross sales			81.0	81.0	81.0	81.0							
Printing & Decorative Grades (Exhibit 9)	6210000	536000	583000	572000	550000	595000	575000	467000	495000	489000	532000	520000	455000
% of gross sales			75.1	74.8	75.1	75.3							
Technical Grades (Exhibit 10)	2985000	244000	244000	239000	239000	260000	327000	191000	267000	198000	250000	281000	246000
% of gross sales			78.5	78.4	77.6	78.8							
TOTAL STANDARD COST OF SALE	29755000	2541000	2364000	2533000	2512000	2523000	2626000	1839000	2598000	2364000	2690000	2652000	2505000
% of net sales (Exhibit 2)			80.2	80.0	80.1	80.2							
MANUFACTURING VARIATIONS:													
NOTE: Figures in () Reduce Cost													
Purchase Price & Trim Penalty	135000	11600	10700	11500	17600	11200	11800	8300	12000	10800	12300	11900	11300
Coating Usage	240000	20500	19300	20900	20300	20800	21000	15500	20500	19300	21500	20700	19500
Rate & Premium Pay Variance	150000	4600	4500	4800	4500	4800	4900	4100	23800	22800	24200	24500	23700
Non Productive Downtime	175000	15000	15100	15200	14700	15300	16000	11400	14900	13700	15400	15300	14000
Unabsorbed New Facilities													
& Start Up	125000	21000	21000	21000	21000	21000	20000						
Under (Over) Absorbed Burden	35000	(19000)	2000	(19000)	(19000)	(19000)	2000	85000	(18000)	23000	(39000)	23000	23000
Performance (L. & B.)	300000	25700	27200	25800	25100	26300	27500	17600	25700	23300	26400	26400	24300
Order Closure (M.L. & B.)	(200000)	(17200)	(15200)	(16800)	(17200)	(14200)	(16800)	(11600)	(18000)	(16400)	(18800)	(18000)	(17400)
Rework	160000	13700	12700	13600	13600	13500	14100	9900	17000	12800	14400	14200	13500
Inventory Adjustments	153000	13000	12100	13000	13000	12800	13600	9500	13300	10200	13900	13600	12900
Broke Sales	(18000)	(15300)	(14400)	(15500)	(15300)	(15400)	(15700)	(11400)	(15800)	(14500)	(16300)	(15800)	(14900)
Second Sales	(630000)	(19400)	(19100)	(20900)	(19600)	(21900)	(21300)	(17000)	(18200)	(17900)	(19100)	(19100)	(16400)
Expected Broke & Sec. Recovery	448500	40500	38800	42300	39800	43300	42100	33000	39100	37600	40900	40400	36600
Recovery Outside Source													
TOTAL MANUFACTURING VARIATIONS	5328000	94200	110300	95900	97500	96200	119900	156300	93600	126700	75400	137300	129100
% of net sales (Exhibit 2)			3.2	3.1	3.1	3.1							
TOTAL COST OF SALES	31083000	2635200	2474300	2628900	2609500	2619600	2745900	1995300	2691600	2490700	2765600	2789300	2634100
% of net sales (Exhibit 2)			83.7	83.1	83.1	83.3							

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VII. TOTAL PRODUCTION (M#)

inting & Decorative	2,881	2,459	2,819	2,784	2,980	3,022	2,822	2,020		2,720	3,394	2,697	2,597
chnical (Inc Solv.)	573	596	531	401	668	635	816	531		394	581	627	760
R Sheets	1,665	1,890	1,931	2,289	2,189	2,059	1,678	1,443		1,507	2,079	2,637	2,032
R Rolls	4,276	4,860	4,690	5,384	5,131	5,147	4,754	4,071		5,839	8,118	8,637	7,527
conds	174	133	156	153	157	175	124	145		136	160	109	98
oke	1,161	1,222	1,286	1,397	1,335	1,444	1,432	1,090		1,168	1,550	1,485	1,424
	10,730	11,160	11,413	12,408	12,458	12,482	11,626	9,300		11,764	15,882	16,192	14,438

VIII. YIELD (%)

ffects	87.56	87.86	87.36	87.51	88.02	87.03	86.61	86.72		88.91	89.23	90.16	89.46
conds	1.62	1.19	1.37	1.23	1.26	1.40	1.07	1.56		1.16	1.01	.67	.68
oke	10.82	10.95	11.27	11.26	10.72	11.57	12.32	11.72		9.93	9.76	9.17	9.86

IX. MACHINE PERFORMANCE (%)

lenders	93.5	94	93	92	93	93	93	92		92	95	95	94
g. Rewinders	89.2	87	90	94	100	98	93	98		92	86	89	82
eters	84.0	86	88	87	86	86	88	87		86	88	86	83
ummers	90.5	92	92	92	94	93	94	93		94	94	99	93
alers	93.7	93	92	92	93	94	96	93		96	94	95	98
g Rewinders	90.8	90	92	92	93	92	92	92		92	81	84	90

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X. NON-PRODUCTIVE DOWNTIME (%)

lenders	22.5	21.5	24.5	19.6	20.7	21.8	21.4	19.9		21.1	20.2	19.6	20.7
g. Rewinders	13.1	13.5	11.9	14.0	11.2	12.4	11.2	12.4		11.7	10.4	13.0	14.1
eters	5.9	5.3	5.6	6.2	5.7	8.0	6.0	6.3		6.4	5.9	5.7	6.4
ummers	14.4	16.4	16.7	17.2	14.8	16.9	17.9	22.7		20.9	18.4	15.2	17.9
alers	18.2	21.0	18.3	17.9	21.1	17.5	16.0	16.2		16.3	15.1	14.9	16.1
g Rewinders	12.7	13.5	12.2	12.8	14.5	15.6	13.1	14.3		17.0	18.7	15.0	18.0

**PORTIONS OF THIS DOCUMENT
HAVE BEEN REDACTED**

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INFORMATION**